CENTRAL STATISTICAL OFFICE

# CSO Economic Trends

ARTICLES

United Kingdom balance of payments in the fourth quarter and year, 1982

Introduction of the revised standard industrial classification 1980

Index of industrial production - rebasing and reclassification

Rebasing and reclassifying the national accounts: the reasons and the likely effects

The Budget: 15 March 1983

The economy: recent developments and prospects to mid-1984

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## Release dates of economic statistics to be published in April 1983

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in April 1983. The dates are targets which are correct at time of going to press. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

| Publication date | Series | Method of release | Source |
|---|---|---|---|
| **April 1983** | | | |
| *Wed 6* | UK official reserves (March) | PN | HM Treasury |
| | Credit business (February) | PN | Dept of Trade |
| | Wholesale price index numbers (March – provisional) | PN | Dept of Industry |
| | Retail sales (February – Final) | PN | Dept of Trade |
| | Housing starts and completions (February) | PN | Dept of the Environment |
| | Advance energy statistics (February) | PN | Dept of Energy |
| | London clearing banks' monthly statement (mid-March) | PN | CLCB |
| | Capital issues and redemptions (during the month of March) | PN | Bank of England |
| | Provisional estimates of monetary aggregates (mid-March) | PN | Bank of England |
| *Fri 8* | Car and commercial vehicle production (February – final) | *British business* | Dept of Industry |
| *Tues 12* | Building Societies' monthly figures (March) | PN | BSA |
| | Provisional figures of vehicle production (March) | PN | Dept of Industry |
| *Wed 13* | Central Government transactions (including borrowing requirement) (March) | PN | HM Treasury |
| | Index of industrial production for Wales (4th quarter) | PN | Welsh Office |
| *Thurs 14* | UK banks' assets and liabilities and the money stock (mid-March) | PN | Bank of England |
| | London dollar and sterling certificates of deposit (Mid-March) | PN | Bank of England |
| *Fri 15* | Index of industrial production (February – provisional) | PN | CSO |
| | Usable steel production (March) | PN | BSC/BISPA |
| | Finished steel consumption and stock changes (4th quarter-final) | *British business* | Dept of Industry |
| *Sun 17* | Department for National Savings' monthly progress report (March) | PN | Dept for National Savings |
| *Mon 18* | Retail sales (March – provisional) | PN | Dept of Trade |
| *Wed 20* | Indices of average earnings (February) | PN | Dept of Employment |
| | Indices of basic rates of wages (March) | PN | Dept of Employment |
| | Industrial and commercial companies capital account and net borrowing requirement (4th quarter) | PN | CSO |
| *Thurs 21* | Cyclical indicators for the UK economy (March) | PN | CSO |
| | Preliminary estimate of consumers' expenditure (1st quarter) | PN | CSO |
| | Public sector borrowing requirement and details of local authority borrowing (1st quarter) | PN | CSO |
| *Fri 22* | Retail prices index (March) | PN | Dept of Employment |
| | Tax and price index (March) | PN | CSO |
| | Sales and orders in the engineering industries (January) | *British business* | Dept of Industry |
| *Mon 25* | New vehicle registrations (March) | PN | Dept of Transport |
| | Institutional investment (4th quarter) | PN | CSO |
| *Tues 26* | CBI Industrial Trends Survey (April) | PN | CBI |
| | Bricks and cement production (1st quarter) | PN | Dept of the Environment |
| *Wed 27* | Construction – new orders (February) | PN | Dept of the Environment |
| *Thurs 28* | Energy Trends (February) | PN | Dept of Energy |
| | Overseas travel and tourism (January/February) | PN | Dept of Trade |
| | Unemployment and unfilled vacancies (March – final) | *Gazette* | Dept of Employment |
| | Employment in the production industries (February) | *Gazette* | Dept of Employment |
| | Overtime and short-time working in manufacturing industries (February) | *Gazette* | Dept of Employment |
| | Stoppages of work due to industrial disputes (March) | *Gazette* | Dept of Employment |
| *Fri 29* | Balance of payments current account and overseas trade figures (March) | PN | Dept of Trade/CSO |

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# Economic Trends

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# Introduction

*Economic Trends* brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

*Economic Trends* is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

## Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 18 March. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

5. 'Billion' denotes one thousand millions.

6. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.

## Symbols used:

.. not available or not meaningful

— nil or less than half the final digit shown

§ series for which measures of variability are given on page 70

† indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

## Corrections to Economic Trends Annual Supplement no. 8 – 1983 Edition

**Page 122** **Measures of UK trade competitiveness**
First column *Relative export prices*

**delete** years and quarters from 1963 to 1969
**insert** figures shown below

| | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|---|---|---|---|---|---|---|---|
| Year | 105·3 | 105·3 | 108·2 | 111·0 | 109·7 | 103·3 | 102·7 |
| *1* .. | 104·0 | 104·9 | 107·1 | 111·3 | 110·8 | 100·7 | 103·8 |
| *2* .. | 104·6 | 105·4 | 108·3 | 110·4 | 111·1 | 103·4 | 103·4 |
| *3* .. | 106·1 | 105·6 | 108·4 | 111·5 | 111·6 | 104·7 | 103·0 |
| *4* .. | 106·4 | 105·3 | 109·0 | 110·8 | 105·2 | 104·4 | 100·4 |

**The Editor would welcome readers' suggestions for improvements to *Economic Trends***

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# Latest developments in the economy[1]

*Data available at 25 March 1983*

## Output

The output measure of GDP increased by ¼ per cent in the fourth quarter of 1982 to a level about 2 per cent above its low point in the Spring of 1981. Industrial production was broadly unchanged. Activity increased again in the distributive trades (up 3 per cent since the second quarter) and in the motor trades. Output in the transport industry recovered to some extent from the effect of the rail dispute in the Summer, and communications output continued to grow.

The index of manufacturing production was 2½ per cent higher in January than in December, returning to its level in early 1982 after falling during most of last year. In the three months to January it was broadly unchanged from its level in the previous three months. The all-industries' index of production was little changed in the latest three months compared with the previous three months. The underlying level of output, adjusted for changes in stocks, was 2 to 2½ per cent above its trough in the second quarter of 1981; total output other than oil and gas extraction remains at much the same level as its 1981 trough.

## Balance of payments

The current account for February is estimated to have been in surplus by £42 million compared with a deficit of £311 million in January. In the period December 1982 to February 1983, the current account was in surplus by £388 million compared with £1,456 million in the previous three month period. The surplus on invisibles is projected at £509 million in the latest three months. The visible trade balance improved from a deficit of £491 million in January to a deficit of £138 million in February as the value of exports increased while imports were virtually unchanged. The surplus on trade in oil increased from £510 million in January to £604 million in February while the deficit on trade in non-oil goods fell from £1,001 million in January to £742 million in February. The invisibles account is projected at a monthly surplus of £180 million, a large surplus on transactions of the private sector and public corporations being partly offset by a deficit on government transactions. The volume of exports in the latest three months was some 1 per cent below the level in the previous three months. The trend in exports of oil, after increasing strongly during 1982, seems to have flattened out in recent months. Despite the erratically low figure in January, the recovery in non-oil exports towards the end of 1982 appears to have been maintained. Import volume in the latest three months was 5 per cent higher than in the previous three months. The underlying level of imports, which changed little during 1982, now seems to be increasing.

## Consumers' expenditure

The provisional estimate of the index of the volume of retail sales in February is 110½ (1978 = 100), virtually the same as the average level of the previous four months. In the latest three months, retail sales were 1½ per cent higher than in the previous three months and nearly 5 per cent higher than in the corresponding period a year ago.

Consumers' expenditure at 1975 prices rose by about 1½ per cent in the fourth quarter of 1982 following a similar increase magnitude in the third quarter. The upward trend in retail sales continued, while consumer spending on cars was also higher.

## Companies

In the fourth quarter of 1982 the Department of Industry's survey of company liquidity showed some improvement after the sharp fall in the third quarter. The liquidity of manufacturing companies rose sharply from the low third quarter level while that of non-manufacturing companies showed a further reduction. The liquidity ratio rose from 75 at the beginning of the quarter to 79 at the end for all survey companies, from 74 to 82 for manufacturing companies and fell from 77 to 74 for non-manufacturing companies.

Company gross trading profits increased by roughly 8 per cent between the third and fourth quarters of 1982. Rather more than half of the increase occurred amongst companies operating in the North Sea. Some of the increase for North Sea companies reflects the inclusion of Britoil, which was privatised and became part of the company sector.

## Earnings and wage rates

The whole economy index of average earnings in January at 234·7 (January 1976 = 100) was 0·7 per cent above December 1982 and 8·5 per cent above its January 1982 level. The underlying increase over this period, allowing for temporary factors such as back-pay and variations in the timing of pay settlements, was approximately 7¾ per cent. Nationally-negotiated basic weekly wage rates for manual workers (not seasonally adjusted) at the end of February were on average 5·2 per cent higher than a year earlier.

## Official reserves and exchange rate (not seasonally adjusted)

The UK official reserves fell by $276 million in February to $16,578 million. Accruals of borrowing under the exchange cover scheme amounted to $12 million; repayments of such borrowing amounted to $117 million.

Up to 25 March the average sterling effective exchange rate for March was 1·9 per cent lower than that for February.

## Prices (not seasonally adjusted)

The retail prices index for February was 327·3 (January 1974 = 100), a rise of 0·4 per cent on January and an increase of 5·3 per cent on February 1982.

The tax and price index for February was 171·6 (January 1978 = 100), 5·7 per cent up on February 1982.

The price index for materials and fuel purchased by manufacturing industry fell by 0·7 per cent between January and February; this fall is almost wholly attributable to the proposed reduction in the dollar price of North Sea crude oil which is backdated to 1st February but is yet to be agreed by all customers. This was partially offset by the depreciation of sterling against the dollar and by increased prices for other commodities. The change in the index over a 12-month period fell from 9·3 per cent in January to 8·0 per cent in February.

[1]All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

The wholesale price index for home sales of manufactured products increased by 0·4 per cent between January and February. The change in the index over a 12-month period fell from 7·4 per cent in January to 7·1 per cent in February, the smallest 12-monthly increase since July 1973.

### Unemployment and vacancies

Unemployment in the United Kingdom (excluding school leavers) rose by 17,600 from January to February to 3,000,300. Vacancies notified to Jobcentres rose by 2,000 to 124,000.

### Financial aggregates

During banking February (four weeks to 16 February) sterling $M_3$ rose by £260 million or 0·3 per cent. Over the year since mid-February 1982, sterling $M_3$ has grown by 9¾ per cent. PSL 2 rose by 0·8 per cent in February and since mid-February 1982 by 8¾ per cent. PSL 1 rose by 0·3 per cent in the latest month. $M_1$ rose by 0·4 per cent in February and since mid-February 1982 by 11 per cent. $M_2$ rose by 0·3 per cent (not seasonally adjusted) in February. Domestic credit expanded by £813 million in February.

The net effect of public sector transactions as a whole at −£300 million was contractionary in February. The central government borrowing requirement was £710 million, whilst the direct contribution of local authorities and public corporations to the public sector borrowing requirement (net of non-bank private sector purchases of their debt) was contractionary at −£110 million. The non-bank private sector's net purchases of central government debt totalled £900 million in February.

Sterling lending to the private sector rose by £1,390 million in February.

### Stockbuilding

Revised figures show that the level of stocks held by manufacturers, retailers and wholesalers fell by about £480 million at 1975 prices in the fourth quarter of 1982. This substantial reduction in stocks was brought about by significant destocking in the wholesaling sector and a steep fall in the level of manufacturers' stocks. There was a small increase in the level of retailers' stocks. Most of the destocking in 1982, which amounted to £830 million compared with reductions in stocks of £1,260 million in 1981 and £1,610 million in 1980, occurred in the second half of the year when the level of stocks fell by around £820 million. Manufacturers' and wholesalers' stocks fell substantially in 1982 while retailers stocks rose during the year. Manufacturers reduced their stocks by about £325 million in the fourth quarter of 1982 and by £680 million during 1982 as a whole; destocking occurred entirely during the second half of the year. Wholesalers stocks fell by some £185 million in the fourth quarter of 1982 and by £260 million during 1982 as a whole – about 5 per cent of their level at the beginning of 1982. Retailers stocks rose by about £30 million in the fourth quarter of 1982, bringing the increase during the year to some £115 million – about 3 per cent of the level of stocks at the beginning of 1982. The ratio of retail stocks to sales declined again in the fourth quarter to its lowest level for more than three years.

### Capital expenditure

Capital expenditure by the manufacturing, distributive and service industries (including shipping) in the fourth quarter of 1982 is £2,362 million at 1975 prices – about 1 per cent bleow the level in the third quarter. Of the total, over 70 per cent was accounted for by the distributive and service industries. Expenditure in the second half of 1982 was 2 per cent above that in the first half. Manufacturers' total investment (taking account of the leasing of assets from the service industries) was about £785 miilion in the fourth quarter of 1982 – over 4 per cent below the third quarter level; investment in the second half of 1982 was over 4 per cent lower than in the first half. Investment by the distributive and service industries (excluding shipping) for the fourth quarter was £1,706 million – little changed from the figure for the previous quarter. Investment in the second half of 1982 was 5 per cent higher than in the first half; expenditure on new building work rose by 12 per cent and on vehicles by 13 per cent but expenditure fell by 1 per cent on plant and machinery. Investment by the shipping industry in the fourth quarter was £20 million compared with £25 million in the previous quarter. For 1982 as a whole investment fell by a quarter compared with 1981, a fall in expenditure on new and second-hand ships from abroad being partly offset by lower sales of second-hand ships to abroad.

# Economic events

**February**

23 Water workers dispute settled.

24 Home Secretary announces a 5p TV licence for mentally ill and disabled living in Homes, etc.

**March**

7 Australia to cancel purchase of British carrier.

8 Australia devalues by 10 per cent.

15 **The Budget:** PSBR Cost of proposals £1·6 billion in 1983–84, £2¾ billion in full year.

**Main tax proposals:** income tax personal allowances and thresholds up 14 per cent; Child benefit increased to £6·50 a week; 5 per cent abatement of unemployment benefit to be restored; increase in mortgage interest relief limit to £30,000; National Insurance Surcharge reduced to 1 per cent from 1 August; 'Small Companies' rate of Corporation Tax cut from 40 per cent to 38 per cent; changes to North Sea oil taxation include the phasing out of Advance Petroleum Revenue Tax and special relief for future fields; excise duties increased broadly in line with taxation.

**Monetary policy:** target ranges for 1983–84 to be 7–11 per cent, for £M3, M1, and PSL2.

**Public expenditure:** Planning totals (cash) for 1983–84 £119½ billion, for 1984–85 £126½ billion, for 1985–86 £132½ billion.

Clearing banks announce ½ point cut in base rates.

OPEC agrees $29 a barrel reference price.

## Selected monthly indicators[1]

| | Seasonally adjusted | | | | Unadjusted | | | | | | Seasonally adjusted | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1978 = 100 | 1975 = 100 | Thousands | | Jan. 1976 = 100 | 1975 = 100 | Jan. 1974 = 100 | Jan. 1978 = 100 | 1975 = 100 | $ billion | £ million | |
| | Volume of retail sales (GB)[2,3] § | Index of Industrial production[4] § | Unemployment[5§6] | Vacancies[7§6] | Average earnings (whole economy: GB)[8] | Wholesale price of materials and fuel[9] | Retail price index (all items) | Tax and price index | Sterling effective exchange rate | U.K. official reserves[10] | Balance of payments: Current balance | Money stock sterling $M_3$ |
| 1981 *D* | 104.5 | 100.2 | 2629.0 | 107.5 | 216.5 | 236.8 | 308.8 | 161.2 | 90.7 | 23.3 | + 560 | 83820 |
| 1982 *J* | 106.9 | 100.2 | 2670.5 | 111.6 | 216.4 | 238.9 | 310.6 | 162.3 | 91.2 | 23.2 | − 25 | 84750 |
| *F* | 106.1 | 100.7 | 2679.8 | 113.0 | 219.4 | 240.1 | 310.7 | 162.4 | 91.5 | 23.4 | + 289 | 84780 |
| *M* | 106.6 | 101.1 | 2687.9 | 110.6 | 219.7 | 235.7 | 313.4 | 164.0 | 90.8 | 19.0 | + 325 | 85290 |
| *A* | 106.3 | 101.3 | 2715.1 | 109.7 | 219.8 | 239.2 | 319.7 | 166.0 | 90.0 | 18.2 | + 347 | 85750 |
| *M* | 106.9 | 101.5† | 2739.8 | 106.6 | 220.8 | 237.7 | 322.0 | 167.4 | 89.9 | 17.8 | + 149 | 86720 |
| *J* | 107.2 | 100.3 | 2772.7 | 105.2 | 224.0 | 243.2 | 322.9 | 168.0 | 90.9 | 17.7 | + 307 | 87390 |
| *J* | 108.0 | 101.2 | 2813.8 | 111.4 | 227.8 | 245.0 | 323.0 | 169.0 | 91.2 | 17.9 | + 272 | 88070 |
| *A* | 109.4 | 101.3 | 2832.4 | 114.0 | 228.0 | 244.1 | 323.1 | 169.0 | 91.5 | 18.1 | + 171 | 89270 |
| *S* | 109.3 | 101.6 | 2866.4 | 107.3 | 226.7 | 245.6 | 322.9 | 168.9 | 91.7 | 18.3 | + 404 | 90300 |
| *O* | 109.3 | 101.6 | 2885.4 | 113.9 | 229.0 | 246.9 | 324.5 | 169.9 | 92.5 | 18.5 | + 364 | 91830 |
| *N* | 110.0 | 100.3 | 2905.5 | 114.4 | 232.3 | 252.6 | 326.1 | 170.9 | 89.5 | 18.0 | + 688 | 91870 |
| *D* | 112.2 | 102.2 | 2948.8† | 117.6 | 233.1 | 255.6† | 325.5 | 170.5 | 85.4 | 17.0 | + 657 | 92430 |
| 1983 *J* | 110.1 | 102.4 | 2982.7 | 122.0 | 234.7[12] | 261.1[12] | 325.9 | 170.7 | 81.9 | 16.9 | − 261 | 92790 |
| *F* | 110½[12] | | 3000.3[12] | 124.0 | | 259.2[12] | 327.3 | 171.6 | 80.7 | 16.6 | | 93050 |
| | *Percentage change, latest three months on previous three months* | | | | | | | | | | | |
| 1981 *D* | — | + 0.5 | + 3.7 | + 8.0 | + 2.5 | + 0.6 | + 2.5 | .. | − 1.0 | .. | .. | +10.2 |
| 1982 *J* | − 0.2 | − 0.6 | + 3.4 | + 8.9 | + 1.6 | − 0.0 | + 2.5 | .. | + 1.8 | .. | .. | +12.4 |
| *F* | — | − 0.9 | + 2.9 | + 9.7 | + 1.9 | + 0.4 | + 2.0 | .. | + 2.6 | .. | .. | + 8.1 |
| *M* | + 1.1 | − 0.3 | + 2.7 | + 7.3 | + 1.7 | + 0.4 | + 1.7 | .. | + 1.7 | .. | .. | + 4.8 |
| *A* | + 0.7 | + 0.6 | + 2.1 | + 3.1 | + 1.8 | + 0.3 | + 1.9 | .. | + 0.1 | .. | .. | + 1.5 |
| *M* | + 0.8 | + 1.0 | + 2.0 | − 1.6 | + 1.3 | − 0.4 | + 2.7 | .. | − 1.0 | .. | .. | + 1.7 |
| *J* | + 0.3 | + 0.4 | + 2.4 | − 4.0 | + 1.4 | + 0.8 | + 3.2 | .. | − 1.0 | .. | .. | + 2.0 |
| *J* | + 1.0 | — | + 3.0 | − 3.1 | + 2.1 | + 1.5 | + 2.5 | .. | − 0.1 | .. | .. | + 2.5 |
| *A* | + 1.4 | − 0.4 | + 3.4 | + 1.1 | + 2.9 | + 2.8 | + 1.4 | .. | + 1.1 | .. | .. | + 2.7 |
| *S* | + 2.0 | + 0.3 | + 3.5 | + 3.5 | + 2.7 | + 2.0 | + 0.5 | .. | + 1.3 | .. | .. | + 3.0 |
| *O* | + 1.9 | + 0.5 | + 3.1 | + 3.7 | + 1.6 | + 1.5 | + 0.3 | .. | + 1.3 | .. | .. | + 3.5 |
| *N* | + 1.3 | + 0.2 | + 2.8 | + 1.5 | + 1.2 | + 1.7 | + 0.5 | .. | — | .. | .. | + 3.5 |
| *D* | + 1.6 | — | + 2.7 | + 4.0 | + 1.8 | + 2.8 | + 0.7 | .. | − 2.6 | .. | .. | + 3.2 |
| 1983 *J* | + 1.5 | + 0.1 | + 2.9 | + 5.6 | + 2.4[12] | + 4.4[12] | + 0.7 | .. | − 6.9 | .. | .. | + 2.1 |
| *F* | + 1.4[12] | | + 3.2[12] | + 8.3 | | + 4.1[12] | + 0.5 | .. | − 9.3 | .. | .. | + 1.6 |
| | *Percentage change, latest three months on corresponding period of previous year* | | | | | | | | | | | |
| 1981 *D* | + 1.1 | − 0.5 | +36.4 | + 4.9 | +11.1 | +16.7 | +11.9 | +15.5 | −10.5 | .. | .. | +21.8 |
| 1982 *J* | + 0.3 | − 0.5 | +31.3 | + 8.9 | +10.7 | +15.3 | +12.0 | +15.6 | −10.3 | .. | .. | +25.1 |
| *F* | — | − 0.1 | +27.2 | +11.5 | +10.8 | +13.8 | +11.7 | +15.2 | −10.3 | .. | .. | +25.0 |
| *M* | + 0.1 | + 0.5 | +23.7 | +13.7 | +11.1 | +11.4 | +11.1 | +14.6 | −10.1 | .. | .. | +25.2 |
| *A* | + 0.9 | + 0.7 | +20.5 | +16.1 | +10.9 | + 9.5 | +10.3 | +12.5 | − 9.7 | .. | .. | +24.4 |
| *M* | + 1.5 | + 1.4 | +17.9 | +17.0 | +10.5 | + 7.1 | + 9.8 | +11.0 | − 9.1 | .. | .. | +23.5 |
| *J* | + 1.8 | + 1.1 | +16.1 | +19.9 | +10.1 | + 6.3 | + 9.4 | + 9.7 | − 7.7 | .. | .. | +22.9 |
| *J* | + 2.2 | + 1.0 | +14.7 | +20.7 | +10.4 | + 5.4 | + 9.1 | + 9.6 | − 5.1 | .. | .. | +22.4 |
| *A* | + 2.7 | + 0.6 | +13.6 | +19.8 | + 9.5 | + 4.7 | + 8.6 | + 9.2 | − 1.9 | .. | .. | +22.2 |
| *S* | + 3.4 | + 0.9 | +12.8 | +15.0 | + 8.5 | + 3.8 | + 8.0 | + 8.7 | + 1.0 | .. | .. | +21.3 |
| *O* | + 3.4 | + 0.5 | +12.2 | +12.8 | + 7.3 | + 3.3 | + 7.4 | + 8.0 | + 3.1 | .. | .. | +21.1 |
| *N* | + 3.6 | − 0.1 | +11.7 | +10.9 | + 7.5 | + 4.5 | + 6.8 | + 7.3 | + 2.7 | .. | .. | +17.0 |
| *D* | + 5.1 | + 0.4 | +11.7 | +10.8 | + 7.8 | + 6.1 | + 6.2 | + 6.6 | − 0.7 | .. | .. | +13.6 |
| 1983 *J* | + 5.0 | + 1.2 | +11.7 | + 9.5 | + 8.2[12] | + 8.0[12] | + 5.5 | + 5.8 | − 5.6 | .. | .. | +13.2 |
| *F* | + 5.0[12] | | +11.9[12] | + 9.5 | | + 8.4[12] | + 5.2 | + 5.5 | − 9.2 | .. | .. | + 9.0 |

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods.
[4] All industries covered.
[5] Unemployed (new basis – claimants) excluding school leavers. The figures for Great Britain prior to May 1979 and for Northern Ireland prior to November 1982 are estimated.
[6] The seasonally adjusted series have been revised as described in the December 1982 *Employment Gazette*.
[7] Vacancies notified to job centres.
[8] The seasonal adjustment factors currently used are based on data up to December 1980.
[9] Purchased by manufacturing industry.
[10] See footnote [2] on page 50.
[11] The recorded unemployment figures for July to October 1981 are overstated by about 20,000 (net) as a result of industrial action at benefit offices. The seasonally adjusted total for the UK has been reduced to allow for this. No adjustment has been made to other unemployment figures.
[12] Provisional.

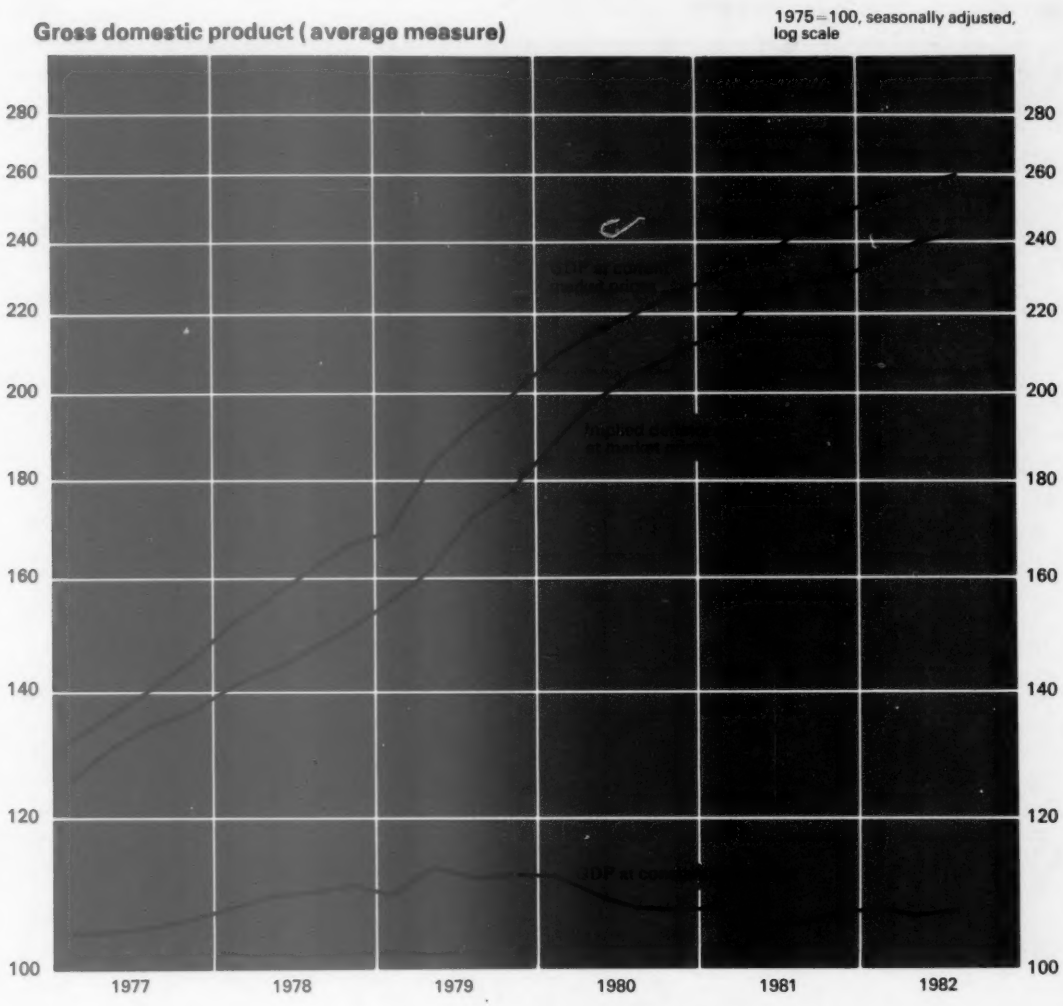
# Tables and charts

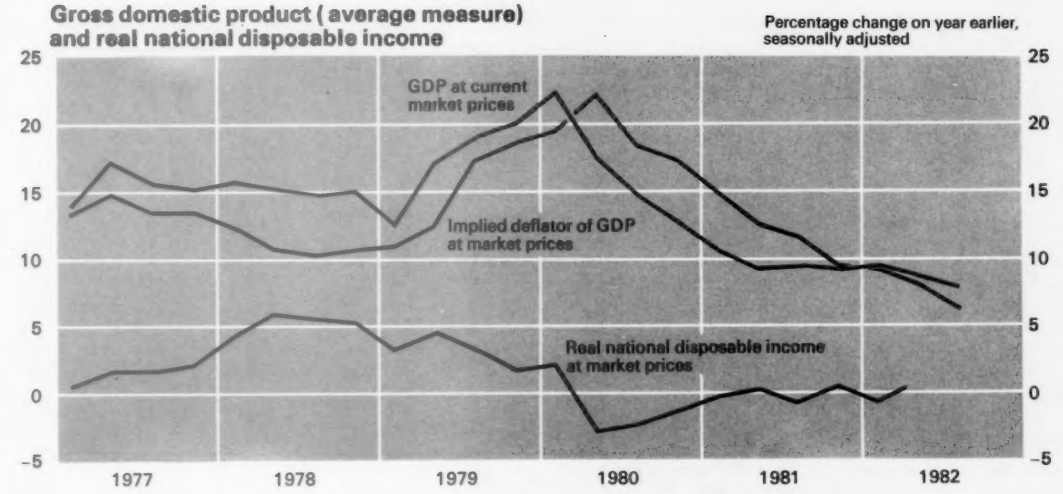
## Gross domestic product at market prices and at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

**Seasonally adjusted**

| | Gross domestic product at market prices[2] | | | Implied market price GDP deflator | Gross domestic product at factor cost | | | | | | Implied index of total home costs | National disposable income at 1975 market prices |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | At current prices | | At 1975 prices | | At current prices | | At 1975 prices | | | | | |
| | £ billion | 1975 = 100 | 1975 = 100 | | £ billion[3] | | 1975 = 100 | | | | 1975 = 100 | 1975 = 100 |
| | Based on: | | | | Based on: | | Based on: | | | | Based on: | |
| | expenditure data | average estimate | average estimate | average estimate | expenditure data | income data | expenditure data[5] | income data[4][5] | output data[5] | average estimate[5] | expenditure data | average estimate |
| 1971 | 57·3 | 55·0 | 93·0 | 59·1 | 49·5 | 49·1 | 92·9 | 92·5 | 94·9 | 93·5 | 56·5 | 97·3 |
| 1972 | 63·5 | 61·6 | 96·1 | 64·1 | 55·4 | 56·1 | 94·2 | 95·8 | 97·9 | 96·0 | 62·3 | 100·7 |
| 1973 | 73·0 | 70·6 | 103·0 | 68·5 | 64·4 | 65·4 | 101·4 | 103·5 | 103·6 | 102·8 | 67·3 | 105·9 |
| 1974 | 83·1 | 79·6 | 101·0 | 78·8 | 74·6 | 74·4 | 100·7 | 100·8 | 102·0 | 101·1 | 78·6 | 100·2 |
| 1975 | 104·8 | 100·0 | 100·0 | 100·0 | 94·3 | 94·0 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 |
| 1976 | 124·5 | 117·7 | 102·6 | 114·7 | 111·6 | 109·5 | 103·7 | 102·2 | 101·8 | 102·6 | 114·1 | 102·3 |
| 1977 | 143·8 | 137·4 | 105·1 | 130·8 | 127·1 | 127·7 | 105·1 | 106·1 | 104·6 | 105·3 | 128·1 | 104·0 |
| 1978 | 165·4 | 158·3 | 109·1 | 145·1 | 146·1 | 147·2 | 108·4 | 109·7 | 108·1 | 108·7 | 142·8 | 109·3 |
| 1979 | 193·4 | 185·6 | 111·2 | 166·8 | 167·9 | 169·9 | 109·9 | 111·7 | 110·3 | 110·7 | 161·9 | 112·8 |
| 1980 | 226·1 | 216·6 | 108·9 | 198·9 | 194·5 | 196·8 | 107·6 | 109·3 | 107·1 | 108·0 | 191·7 | 111·6 |
| 1981 | 248·5 | 237·6 | 106·5 | 223·2 | 211·4 | 213·0 | 105·2 | 106·5 | 104·5 | 105·4 | 213·0 | 111·5 |
| 1978 *1* | 39·6 | 150·7 | 107·6 | 140·1 | 35·2 | 35·1 | 107·7 | 107·9 | 106·2 | 107·3 | 138·4 | } 108·1 |
| *2* | 40·9 | 155·9 | 108·8 | 143·2 | 36·1 | 36·0 | 108·7 | 108·8 | 108·2 | 108·6 | 140·9 | |
| *3* | 41·8 | 160·6 | 109·6 | 146·5 | 36·9 | 37·3 | 108·2 | 110·0 | 108·9 | 109·0 | 144·7 | } 110·6 |
| *4* | 43·1 | 166·0 | 110·3 | 150·4 | 37·9 | 38·8 | 109·1 | 112·1 | 108·9 | 110·0 | 147·3 | |
| 1979 *1* | 44·2 | 169·6 | 109·1 | 155·5 | 38·8 | 39·2 | 107·9 | 109·4 | 108·3 | 108·5 | 152·6 | } 112·3 |
| *2* | 47·4 | 182·7 | 113·2 | 161·3 | 41·6 | 42·2 | 111·1 | 113·4 | 112·3 | 112·2 | 158·6 | |
| *3* | 49·9 | 191·1 | 111·1 | 172·0 | 42·9 | 43·4 | 110·5 | 112·0 | 110·2 | 110·9 | 164·7 | } 113·4 |
| *4* | 51·9 | 199·2 | 111·6 | 178·5 | 44·6 | 45·1 | 110·2 | 111·9 | 110·6 | 110·9 | 171·6 | |
| 1980 *1* | 53·8 | 207·5 | 111·5 | 186·1 | 45·8 | 46·9 | 109·0 | 111·9 | 109·6 | 110·2 | 178·2 | } 111·8 |
| *2* | 55·7 | 214·6 | 109·0 | 196·9 | 48·0 | 49·2 | 107·9 | 111·0 | 108·0 | 108·9 | 188·8 | |
| *3* | 57·6 | 219·5 | 107·8 | 203·6 | 49·8 | 49·7 | 107·0 | 107·3 | 106·2 | 106·8 | 197·3 | } 111·3 |
| *4* | 59·0 | 224·8 | 107·3 | 209·4 | 50·9 | 51·0 | 106·4 | 107·1 | 104·7 | 106·1 | 202·9 | |
| 1981 *1* | 60·6 | 229·8 | 107·3 | 214·1 | 51·9 | 51·6 | 106·7 | 106·5 | 104·3 | 105·8 | 206·5 | } 111·9 |
| *2* | 61·5 | 234·9 | 105·9 | 221·8 | 52·4 | 52·8 | 105·1 | 106·3 | 104·0 | 105·1 | 211·3 | |
| *3* | 62·4 | 240·5 | 105·6 | 227·7 | 52·9 | 53·9 | 103·7 | 106·0 | 104·7 | 104·8 | 216·5 | } 111·2 |
| *4* | 64·0 | 245·3 | 107·0 | 229·3 | 54·2 | 54·7 | 105·4 | 107·0 | 104·9 | 105·8 | 217·7 | |
| 1982 *1* | 66·0 | 251·2 | 107·5 | 233·7 | 55·4 | 55·4 | 106·4 | 106·9 | 104·6 | 106·0 | 220·8 | } 111·4 |
| *2* | 67·1 | 255·4 | 106·5 | 239·8 | 56·8 | 56·6 | 106·4 | 106·5 | 104·9 | 105·9 | 226·3 | |
| *3* | 68·0 | 259·6 | 107·3 | 242·0 | 57·5 | 57·7 | 106·1 | 106·9 | 105·3 | 106·1 | 229·7 | |
| *4* | | | | | | | | | | | | |
| | *Percentage change, quarter on corresponding period of previous year* | | | | | | | | | | | |
| 1978 *3* | +14·6 | +14·9 | +4·3 | +10·2 | +15·1 | +15·0 | +3·4 | +3·4 | +4·1 | +3·6 | +11·4 | } +5·3 |
| *4* | +13·3 | +15·0 | +3·9 | +10·7 | +13·2 | +17·2 | +1·9 | +5·6 | +3·6 | +3·7 | +11·1 | |
| 1979 *1* | +11·5 | +12·5 | +1·4 | +11·0 | +10·4 | +11·8 | +0·2 | +1·4 | +1·9 | +1·1 | +10·3 | } +3·9 |
| *2* | +16·0 | +17·2 | +4·0 | +12·6 | +15·0 | +17·3 | +2·2 | +4·2 | +3·8 | +3·3 | +12·6 | |
| *3* | +19·5 | +19·0 | +1·4 | +17·4 | +16·3 | +16·0 | +2·2 | +1·8 | +1·2 | +1·7 | +13·8 | } +2·5 |
| *4* | +20·3 | +20·0 | +1·2 | +18·7 | +17·8 | +16·4 | +1·0 | −0·2 | +1·5 | +0·8 | +16·5 | |
| 1980 *1* | +21·9 | +22·3 | +2·2 | +19·7 | +18·0 | +19·5 | +1·1 | +2·3 | +1·2 | +1·6 | +16·8 | } −0·4 |
| *2* | +17·5 | +17·5 | −3·7 | +22·1 | +15·6 | +16·6 | −2·9 | −2·1 | −3·8 | −2·9 | +19·0 | |
| *3* | +15·4 | +14·9 | −3·0 | +18·4 | +16·0 | +14·7 | −3·2 | −4·2 | −3·6 | −3·7 | +19·8 | } −1·8 |
| *4* | +13·7 | +12·9 | −3·9 | +17·3 | +14·1 | +13·1 | −3·5 | −4·3 | −5·3 | −4·3 | +18·2 | |
| 1981 *1* | +12·6 | +10·7 | −3·8 | +15·0 | +13·4 | +10·2 | −2·2 | −4·8 | −4·9 | −4·0 | +15·9 | } +0·1 |
| *2* | +10·3 | + 9·5 | −2·8 | +12·6 | + 9·1 | + 7·1 | −2·6 | −4·2 | −3·7 | −3·5 | +11·9 | |
| *3* | + 8·4 | + 9·6 | −2·0 | +11·8 | + 6·3 | + 8·4 | −3·2 | −1·2 | −1·4 | −1·9 | + 9·7 | } −0·1 |
| *4* | + 8·6 | + 9·1 | −0·3 | + 9·5 | + 6·4 | + 7·2 | −0·9 | −0·1 | +0·2 | −0·3 | + 7·3 | |
| 1982 *1* | + 8·9 | + 9·3 | +0·2 | + 9·2 | + 6·7 | + 7·4 | −0·2 | +0·4 | +0·3 | +0·2 | + 6·9 | } −0·4 |
| *2* | + 9·2 | + 8·7 | +0·6 | + 8·1 | + 8·4 | + 7·3 | +1·2 | +0·2 | +0·9 | +0·8 | + 7·1 | |
| *3* | + 9·0 | + 7·9 | +1·6 | + 6·3 | + 8·6 | + 6·9 | +2·4 | +0·9 | +0·6 | +1·2 | + 6·1 | |
| *4* | | | | | | | | | | | | |

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] For details of these series see Introduction to November 1981 issue.
[3] Figures in £ million are given on page 14.
[4] Income data deflated by the implied index of total home costs.


Gross domestic product ( average measure)
1975=100, seasonally adjusted, log scale
280
260
240
220
200
180
160
140
120
100
1977
1978
1979
1980
1981
1982


Gross domestic product ( average measure) and real national disposable income
Percentage change on year earlier, seasonally adjusted
25
20
15
10
5
0
-5
GDP at current market prices
Implied deflator of GDP at market prices
Real national disposable income at market prices
1977
1978
1979
1980
1981
1982

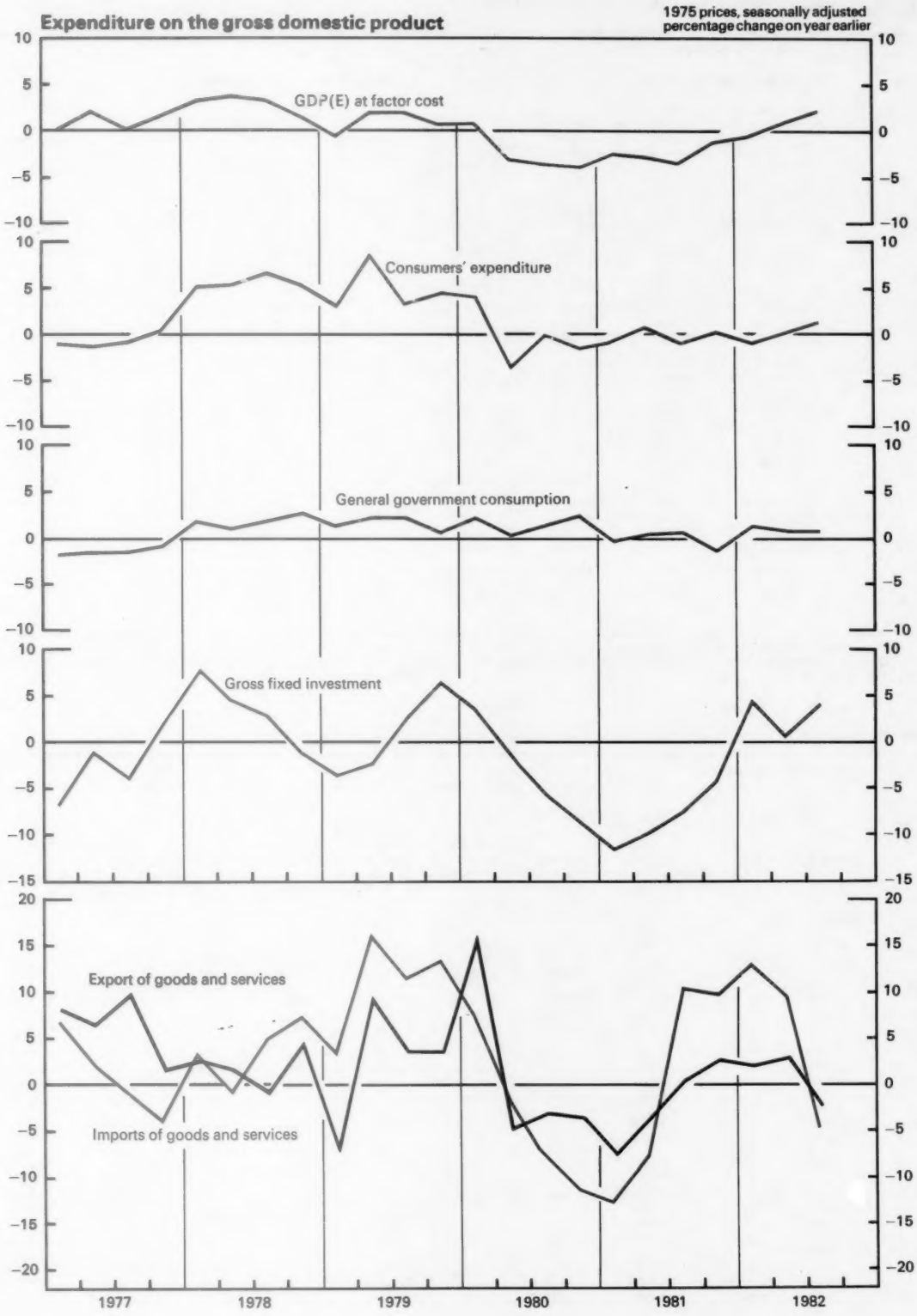
## Expenditure on the gross domestic product

**Seasonally adjusted**

**£ million, 1975 prices**

| | | Gross domestic product at factor cost (expenditure based)[1] | Final expenditure on goods and services at market prices | | | | | | | Adjustment to factor cost |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Total[1] | Consumers' expenditure§ | General government consumption | Gross fixed investment§ | Stock building§ | Exports of goods and services§ | Imports of goods and services§ | |
| 1971 | | 87,672 | 122,427 | 59,724 | 19,673 | 19,743 | 278 | 23,048 | 25,187 | 9,496 |
| 1972 | | 88,833 | 126,923 | 63,270 | 20,484 | 19,823 | — 19 | 23,318 | 27,694 | 10,224 |
| 1973 | | 95,654 | 137,494 | 66,332 | 21,453 | 21,195 | 2,483 | 26,031 | 30,941 | 10,899 |
| 1974 | | 94,966 | 136,670 | 65,049 | 21,774 | 20,562 | 1,401 | 27,884 | 31,243 | 10,461 |
| 1975 | | 94,339 | 133,771 | 64,652 | 22,950 | 20,408 | —1,436 | 27,197 | 29,011 | 10,421 |
| 1976 | | 97,793 | 138,778 | 64,707 | 23,178 | 20,640 | 658 | 29,595 | 30,234 | 10,751 |
| 1977 | | 99,190 | 140,497 | 64,517 | 22,951 | 20,139 | 1,382 | 31,508 | 30,562 | 10,745 |
| 1978 | | 102,284 | 145,748 | 68,227 | 23,438 | 20,845 | 1,146 | 32,092 | 31,754 | 11,710 |
| 1979 | | 103,711 | 151,200 | 71,599 | 23,866 | 21,039 | 1,782 | 32,914 | 35,326 | 12,163 |
| 1980 | | 101,488 | 147,806 | 71,550 | 24,311 | 20,443 | —1,555 | 33,057 | 34,143 | 12,175 |
| 1981 | | 99,267 | 145,409 | 71,871 | 24,306 | 18,774 | —1,871 | 32,329 | 34,040 | 12,102 |
| 1976 | *1* | 24,465 | 34,177 | 16,105 | 5,762 | 5,225 | — 53 | 7,138 | 7,109 | 2,603 |
| | *2* | 24,128 | 34,461 | 16,163 | 5,835 | 5,168 | — 80 | 7,375 | 7,669 | 2,664 |
| | *3* | 24,474 | 34,881 | 16,199 | 5,800 | 5,224 | 239 | 7,419 | 7,710 | 2,697 |
| | *4* | 24,726 | 35,259 | 16,240 | 5,781 | 5,023 | 552 | 7,663 | 7,746 | 2,787 |
| 1977 | *1* | 24,567 | 34,803 | 15,980 | 5,700 | 4,879 | 535 | 7,709 | 7,602 | 2,634 |
| | *2* | 24,684 | 35,146 | 16,020 | 5,764 | 5,116 | 388 | 7,858 | 7,844 | 2,618 |
| | *3* | 24,689 | 35,073 | 16,153 | 5,731 | 5,029 | 19 | 8,141 | 7,667 | 2,717 |
| | *4* | 25,250 | 35,475 | 16,364 | 5,756 | 5,115 | 440 | 7,800 | 7,449 | 2,776 |
| 1978 | *1* | 25,401 | 36,150 | 16,840 | 5,826 | 5,268 | 304 | 7,912 | 7,873 | 2,876 |
| | *2* | 25,636 | 36,330 | 16,884 | 5,840 | 5,343 | 276 | 7,987 | 7,796 | 2,898 |
| | *3* | 25,518 | 36,592 | 17,249 | 5,845 | 5,178 | 253 | 8,067 | 8,079 | 2,995 |
| | *4* | 25,729 | 36,676 | 17,254 | 5,927 | 5,056 | 313 | 8,126 | 8,006 | 2,941 |
| 1979 | *1* | 25,449 | 36,569 | 17,396 | 5,921 | 5,091 | 781 | 7,380 | 8,152 | 2,968 |
| | *2* | 26,199 | 38,440 | 18,315 | 5,980 | 5,230 | 175 | 8,740 | 9,054 | 3,187 |
| | *3* | 26,072 | 38,038 | 17,816 | 5,984 | 5,323 | 542 | 8,373 | 9,031 | 2,935 |
| | *4* | 25,991 | 38,153 | 18,072 | 5,981 | 5,395 | 284 | 8,421 | 9,089 | 3,073 |
| 1980 | *1* | 25,717 | 37,710 | 18,120 | 6,082 | 5,292 | — 273 | 8,509 | 8,793 | 3,200 |
| | *2* | 25,443 | 37,208 | 17,729 | 6,022 | 5,163 | — 22 | 8,316 | 8,914 | 2,851 |
| | *3* | 25,243 | 36,637 | 17,831 | 6,081 | 5,036 | — 427 | 8,116 | 8,360 | 3,034 |
| | *4* | 25,085 | 36,251 | 17,870 | 6,146 | 4,952 | — 833 | 8,116 | 8,076 | 3,090 |
| 1981 | *1* | 25,160 | 35,993 | 18,040 | 6,055 | 4,690 | — 642 | 7,850 | 7,673 | 3,160 |
| | *2* | 24,794 | 35,979 | 17,926 | 6,052 | 4,667 | — 694 | 8,028 | 8,249 | 2,936 |
| | *3* | 24,446 | 36,629 | 17,934 | 6,127 | 4,663 | — 226 | 8,131 | 9,240 | 2,943 |
| | *4* | 24,867 | 36,808 | 17,971 | 6,072 | 4,754 | — 309 | 8,320 | 8,878 | 3,063 |
| 1982 | *1* | 25,098 | 36,943 | 17,927 | 6,147 | 4,908 | — 49 | 8,010 | 8,687 | 3,158 |
| | *2* | 25,093 | 37,077 | 17,998 | 6,113 | 4,702 | 14 | 8,250 | 9,075 | 2,909 |
| | *3* | 25,028 | 36,921 | 18,242 | 6,191 | 4,865 | — 300 | 7,923 | 8,827 | 3,066 |
| | | *Percentage change, quarter on corresponding period of previous year* | | | | | | | | |
| 1978 | *1* | + 3·4 | + 3·9 | + 5·4 | + 2·2 | + 8·0 | .. | + 2·6 | + 3·6 | + 9·2 |
| | *2* | + 3·9 | + 3·4 | + 5·4 | + 1·3 | + 4·4 | .. | + 1·6 | — 0·6 | +10·7 |
| | *3* | + 3·4 | + 4·3 | + 6·8 | + 2·0 | + 3·0 | .. | — 0·9 | + 5·4 | +10·2 |
| | *4* | + 1·9 | + 3·4 | + 5·4 | + 3·0 | — 1·2 | .. | + 4·2 | + 7·5 | + 5·9 |
| 1979 | *1* | + 0·2 | + 1·2 | + 3·3 | + 1·6 | — 3·4 | .. | — 6·7 | + 3·5 | + 3·2 |
| | *2* | + 2·2 | + 5·8 | + 8·5 | + 2·4 | — 2·1 | .. | + 9·4 | +16·1 | +10·0 |
| | *3* | + 2·2 | + 4·0 | + 3·3 | + 2·4 | + 2·8 | .. | + 3·8 | +11·8 | — 2·0 |
| | *4* | + 1·0 | + 4·0 | + 4·7 | + 0·9 | + 6·7 | .. | + 3·6 | +13·5 | + 4·5 |
| 1980 | *1* | + 1·1 | + 3·1 | + 4·2 | + 2·4 | + 3·9 | .. | +15·3 | + 7·9 | + 7·8 |
| | *2* | — 2·9 | — 3·2 | — 3·2 | + 0·7 | — 1·3 | .. | — 4·9 | — 1·5 | —10·5 |
| | *3* | — 3·2 | — 3·7 | + 0·1 | + 1·6 | — 5·4 | .. | — 3·1 | — 7·4 | + 3·4 |
| | *4* | — 3·5 | — 5·0 | — 1·1 | + 2·8 | — 8·2 | .. | — 3·6 | —11·1 | + 0·6 |
| 1981 | *1* | — 2·2 | — 4·6 | — 0·4 | — 0·1 | —11·4 | .. | — 7·7 | —12·7 | — 1·3 |
| | *2* | — 2·6 | — 3·3 | + 1·1 | + 0·5 | — 9·6 | .. | — 3·5 | — 7·5 | + 3·0 |
| | *3* | — 3·2 | + 0·0 | + 0·6 | + 0·8 | — 7·4 | .. | + 0·2 | +10·5 | — 3·0 |
| | *4* | — 0·9 | + 1·5 | + 0·6 | — 1·2 | — 4·0 | .. | + 2·5 | + 9·9 | — 0·9 |
| 1982 | *1* | — 0·2 | + 2·6 | — 0·6 | + 1·5 | + 4·6 | .. | + 2·0 | +13·2 | — 0·1 |
| | *2* | + 1·2 | + 3·1 | + 0·4 | + 1·0 | + 0·8 | .. | + 2·8 | +10·0 | — 0·9 |
| | *3* | + 2·4 | + 0·8 | + 1·7 | + 1·0 | + 4·3 | .. | — 2·6 | — 4·5 | + 4·2 |

[1] For years up to and including 1972, totals differ from the sum of the components because of the method used to rebase on 1975 prices.


Expenditure on the gross domestic product
1975 prices, seasonally adjusted
percentage change on year earlier
GDP(E) at factor cost
Consumers' expenditure
General government consumption
Gross fixed investment
Export of goods and services
Imports of goods and services
10
5
0
−5
−10
−15
20
15
1977
1978
1979
1980
1981
1982

## Personal disposable income and consumption

**Seasonally adjusted**

| | £ million, current prices | | | | Percentage | 1975 prices | | |
|---|---|---|---|---|---|---|---|---|
| | Personal income before tax | | Total personal disposable income[2] | Consumers' expenditure | Personal saving ratio[3] | Real personal disposable income[4] | | Real consumers' expenditure § |
| | Total[1] | *of which:* Wages, salaries and forces pay | | | | £ million § | 1975=100 | £ million |
| 1973 | 63,520 | 39,355† | 51,779 | 45,759 | 11·6 | 75,059 | 101·4 | 66,332 |
| 1974 | 75,423 | 46,549 | 59,907 | 52,626 | 12·2 | 74,049 | 100·1 | 65,049 |
| 1975 | 96,005 | 60,176 | 74,005 | 64,652 | 12·6 | 74,005 | 100·0 | 64,652 |
| 1976 | 110,769 | 67,514 | 84,949 | 74,850 | 11·9 | 73,437 | 99·2 | 64,707 |
| 1977 | 123,957 | 74,607 | 96,300 | 85,948 | 10·8 | 72,288 | 97·7 | 64,517 |
| 1978 | 143,103 | 85,319 | 113,404 | 98,867 | 12·8 | 78,259 | 105·7 | 68,227 |
| 1979 | 170,261 | 100,216 | 136,802 | 117,071 | 14·4 | 83,666 | 113·1 | 71,599 |
| 1980 | 200,851 | 118,440 | 160,820 | 135,738 | 15·6 | 84,771 | 114·5 | 71,550 |
| 1981 | 219,890 | 126,726 | 174,647 | 151,286 | 13·4 | 82,969 | 112·1 | 71,871 |
| 1979 *1* | 39,503 | 23,376 | 31,625 | 26,715 | 15·5 | 20,602 | 111·4 | 17,396 |
| *2* | 41,368 | 24,412 | 32,717 | 28,930 | 11·6 | 20,722 | 112·0 | 18,315 |
| *3* | 43,300 | 25,588 | 34,786 | 29,946 | 13·9 | 20,705 | 111·9 | 17,816 |
| *4* | 46,090 | 26,840 | 37,674 | 31,480 | 16·4 | 21,637 | 116·9 | 18,072 |
| 1980 *1* | 47,414 | 28,005 | 38,182 | 32,813 | 14·1 | 21,092 | 114·0 | 18,120 |
| *2* | 49,303 | 29,296 | 39,275 | 33,372 | 15·0 | 20,873 | 112·8 | 17,729 |
| *3* | 51,431 | 30,389 | 41,191 | 34,318 | 16·7 | 21,410 | 115·7 | 17,831 |
| *4* | 52,703 | 30,750 | 42,172 | 35,235 | 16·5 | 21,396 | 115·6 | 17,870 |
| 1981 *1* | 53,172 | 30,923 | 42,679 | 36,358 | 14·8 | 21,171 | 114·4 | 18,040 |
| *2* | 54,388 | 31,282 | 43,044 | 37,406 | 13·1 | 20,622 | 111·5 | 17,926 |
| *3* | 55,554 | 31,995 | 43,980 | 38,277 | 13·0 | 20,601 | 111·4 | 17,934 |
| *4* | 56,776 | 32,526 | 44,944 | 39,245 | 12·7 | 20,575 | 111·2 | 17,971 |
| 1982 *1* | 57,890 | 32,967 | 45,637 | 39,756 | 12·9 | 20,579 | 111·2 | 17,927 |
| *2* | 58,033 | 33,261 | 45,659 | 40,806 | 10·6 | 20,138 | 108·8 | 17,998 |
| *3* | 58,808 | 33,599 | 46,214 | 41,808 | 9·5 | 20,164 | 109·0 | 18,242 |
| *4* | | | | | | | | |

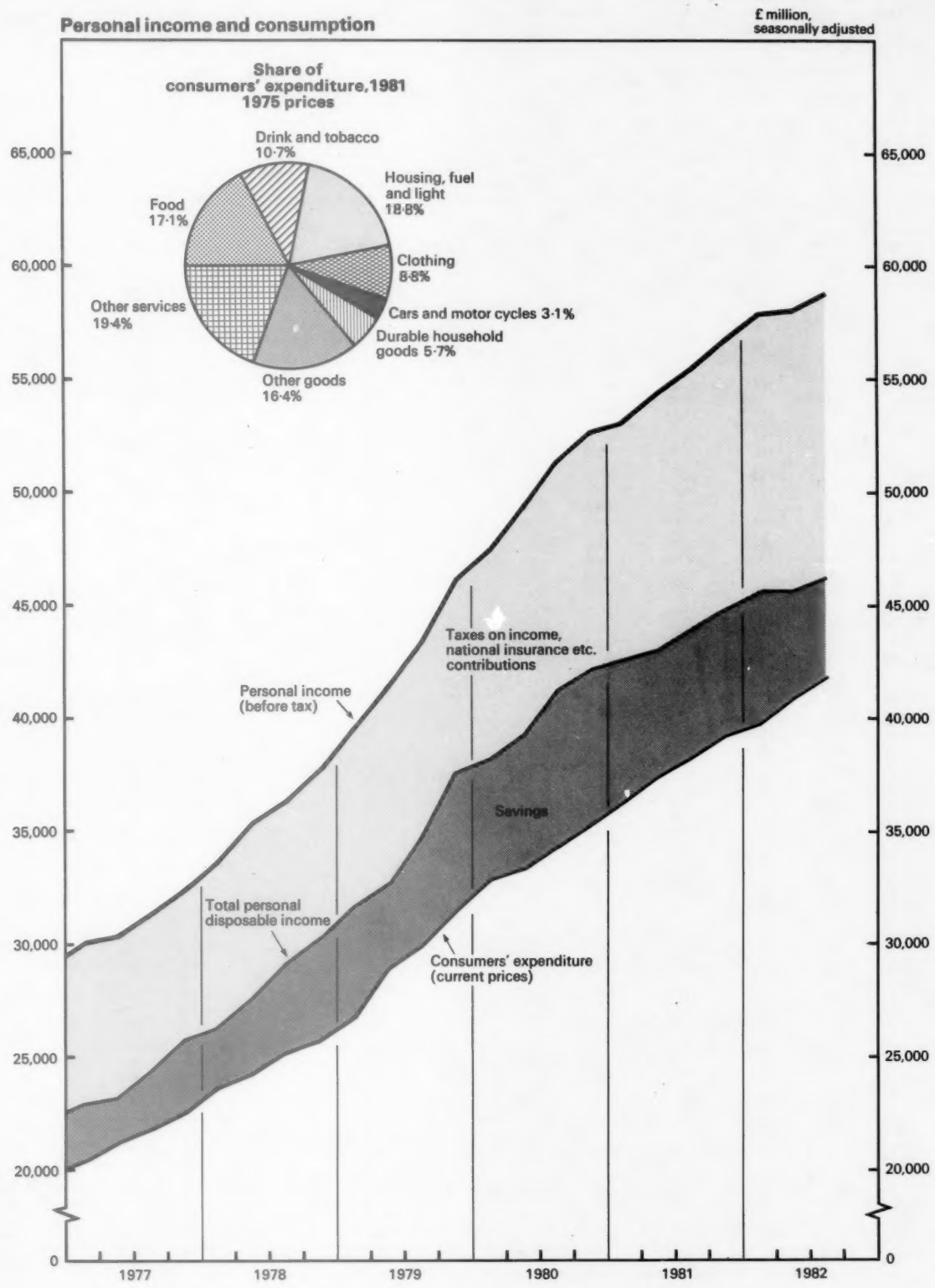
[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal income revalued by the implied consumers' expenditure deflator (1975 =100).

## Real consumers' expenditure — component categories

**Seasonally adjusted**

**£ million, 1975 prices**

| | Total § | Food | Alcoholic drink and tobacco | Housing | Fuel and light | Clothing including footwear | Durable household goods | Cars and motor cycles | Other goods | Other services |
|---|---|---|---|---|---|---|---|---|---|---|
| 1973 | 66,332 | 12,181 | 7,694 | 9,181 | 2,930 | 5,183 | 3,396 | 2,668 | 10,760 | 12,339 |
| 1974 | 65,049 | 12,027 | 7,777 | 9,081 | 2,984 | 5,109 | 3,269 | 2,033 | 10,840 | 11,929 |
| 1975 | 64,652 | 11,961 | 7,604 | 9,221 | 2,914 | 5,166 | 3,232 | 2,135 | 10,635 | 11,784 |
| 1976 | 64,707 | 12,047 | 7,591 | 9,238 | 2,887 | 5,194 | 3,419 | 2,222 | 10,734 | 11,375 |
| 1977 | 64,517 | 11,897 | 7,546 | 9,406 | 2,959 | 5,232 | 3,215 | 2,009 | 10,880 | 11,373 |
| 1978 | 68,227 | 12,233 | 8,053 | 9,596 | 3,013 | 5,716 | 3,531 | 2,474 | 11,414 | 12,197 |
| 1979 | 71,599 | 12,461 | 8,293 | 10,079 | 3,179 | 6,100 | 3,999 | 2,751 | 11,585 | 13,152 |
| 1980 | 71,550 | 12,474 | 8,034 | 10,293 | 3,073 | 6,142 | 3,904 | 2,200 | 11,633 | 13,797 |
| 1981 | 71,871 | 12,319 | 7,689 | 10,434 | 3,080 | 6,308 | 4,071 | 2,203 | 11,817 | 13,950 |
| 1979 *1* | 17,396 | 3,046 | 2,004 | 2,489 | 828 | 1,438 | 943 | 604 | 2,859 | 3,185 |
| *2* | 18,315 | 3,113 | 2,126 | 2,511 | 805 | 1,590 | 1,150 | 792 | 2,959 | 3,269 |
| *3* | 17,816 | 3,159 | 2,081 | 2,521 | 782 | 1,516 | 918 | 658 | 2,860 | 3,321 |
| *4* | 18,072 | 3,143 | 2,082 | 2,558 | 764 | 1,556 | 988 | 697 | 2,907 | 3,377 |
| 1980 *1* | 18,120 | 3,176 | 2,083 | 2,555 | 779 | 1,549 | 985 | 644 | 2,929 | 3,420 |
| *2* | 17,729 | 3,144 | 1,972 | 2,555 | 740 | 1,523 | 959 | 533 | 2,882 | 3,421 |
| *3* | 17,831 | 3,093 | 1,980 | 2,577 | 770 | 1,528 | 978 | 534 | 2,901 | 3,470 |
| *4* | 17,870 | 3,061 | 1,999 | 2,606 | 784 | 1,542 | 982 | 489 | 2,921 | 3,486 |
| 1981 *1* | 18,040 | 3,103 | 2,013 | 2,593 | 738 | 1,579 | 1,024 | 547 | 2,954 | 3,489 |
| *2* | 17,926 | 3,065 | 1,858 | 2,605 | 779 | 1,569 | 1,008 | 587 | 2,936 | 3,519 |
| *3* | 17,934 | 3,064 | 1,909 | 2,617 | 759 | 1,552 | 1,009 | 561 | 2,964 | 3,499 |
| *4* | 17,971 | 3,087 | 1,909 | 2,619 | 804 | 1,608 | 1,030 | 508 | 2,963 | 3,443 |
| 1982 *1* | 17,927 | 3,013 | 1,859 | 2,627 | 743 | 1,606 | 1,030 | 511 | 3,019 | 3,519 |
| *2* | 17,998 | 3,127 | 1,779 | 2,638 | 751 | 1,606 | 1,045 | 536 | 3,036 | 3,480 |
| *3* | 18,242 | 3,016 | 1,820 | 2,639 | 790 | 1,630 | 1,155 | 613 | 3,046 | 3,533 |
| *4* | | | | | | | | | | |


Personal income and consumption
£ million, seasonally adjusted
Share of consumers' expenditure, 1981 1975 prices
Drink and tobacco 10·7%
Housing, fuel and light 18·8%
Clothing 8·8%
Cars and motor cycles 3·1%
Durable household goods 5·7%
Other goods 16·4%
Other services 19·4%
Food 17·1%
Taxes on income, national insurance etc. contributions
Personal income (before tax)
Savings
Total personal disposable income
Consumers' expenditure (current prices)
65,000
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
0
1977
1978
1979
1980
1981
1982

## Retail sales, new registrations of cars and consumer credit (Great Britain)

**Seasonally adjusted**

| | Weekly average 1978 = 100 | | | | | | | Thousands[1] | £ million | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Value of retail sales[2] | Volume of retail sales[2] | | | | | | | Consumer credit | Hire purchase and other credit business[4] | |
| | Total[3] | Total[3] | Food retailers[3] | Mixed retail businesses[3] | Clothing and footwear retailers | Household goods retailers | Other non-food retailers | New registrations of cars[5][3] | Change in total outstanding | New credit extended | Change in amounts outstanding[6] |
| *Sale in 1978 £ million* | 43,866 | 43,866 | 14,714 | 11,603 | 4,389 | 6,489 | 6,671 | | | | |
| 1974 | 56·1 | 98·5 | 109·4 | 87·7 | 97 | 90 | 103 | 105·2† | .. | 2,508 | − 164 |
| 1975 | 66·6 | 96·6 | 104·8 | 90·5 | 96 | 88 | 99 | 99·5 | .. | 2,981 | − 13 |
| 1976 | 76·5 | 98·4 | 101·7 | 93·4 | 95 | 90 | 97 | 107·6 | 377 | 3,474 | + 348 |
| 1977 | 87·3 | 94·8 | 99·7 | 93·0 | 89 | 91 | 95 | 111·3 | 808 | 4,769 | + 890 |
| 1978 | 100·0 | 100·0 | 100·0 | 100·0 | 100 | 100 | 100 | 131·9 | 1,609 | 6,262 | +1,484 |
| 1979 | 116·5 | 104·3 | 104·3 | 103·9 | 106 | 108 | 100 | 143·3 | 2,130 | 7,529 | +1,755 |
| 1980 | 131·5† | 104·3 | 108·0 | 103·7 | 105 | 107 | 94 | 124·6 | 1,983 | 8,039 | +1,137 |
| 1981 | 143·1 | 105·5 | 108·5 | 106·7 | 108 | 110 | 91 | 124·8 | 2,562 | 8,067 | + 643 |
| 1982 | 155·4 | 108·2 | 109·6 | 109·6 | 114 | 120 | 88 | 131·0 | | 9,318 | +1,587 |
| 1979 *3* | 117·8 | 102·5 | 103·3 | 102·6 | 104 | 104 | 98 | 118·4† | 514 | 1,934 | + 443 |
| *4* | 124·4 | 105·1 | 106·1 | 105·1 | 108 | 107 | 99 | 143·3 | 551 | 2,051 | + 534 |
| 1980 *1* | 127·0† | 104·5 | 107·2 | 104·0 | 105 | 107 | 97 | 140·6 | 248 | 2,118 | + 479 |
| *2* | 130·7 | 104·2 | 108·5 | 102·8 | 104 | 106 | 95 | 121·6 | 664 | 2,037 | + 322 |
| *3* | 133·3 | 104·1 | 107·5 | 104·1 | 105 | 107 | 93 | 124·3 | 619 | 1,981 | + 214 |
| *4* | 135·2 | 104·2 | 108·9 | 103·9 | 105 | 107 | 91 | 112·0 | 452 | 1,903 | + 122 |
| 1981 *1* | 140·0 | 106·4 | 109·5 | 107·2 | 109 | 111 | 92 | 118·2 | 419 | 1,947 | + 83 |
| *2* | 141·2 | 105·0 | 107·8 | 106·4 | 106 | 109 | 91 | 123·2 | 745 | 1,997 | + 101 |
| *3* | 144·2 | 105·4 | 108·5 | 105·9 | 107 | 110 | 91 | 127·9 | 697 | 2,044 | + 160 |
| *4* | 146·9 | 105·3 | 108·2 | 107·2 | 110 | 110 | 89 | 130·2 | 701 | 2,079 | + 299 |
| 1982 *1* | 151·0 | 106·5 | 108·6 | 107·4 | 112 | 114 | 90 | 118·1 | 254 | 2,156 | + 259 |
| *2* | 152·8 | 106·8 | 109·3 | 108·1 | 111 | 115 | 88 | 123·3 | 424 | 2,210 | + 282 |
| *3* | 156·6 | 108·9 | 109·5 | 110·2 | 114 | 124 | 88 | 139·0 | 910 | 2,396 | + 548 |
| *4* | 161·1 | 110·7 | 111·0 | 112·7 | 117 | 125 | 88 | 143·6 | | 2,556 | + 498 |
| 1981 *F* | 139·5 | 105·9 | 109·9 | 106·3 | 108 | 109 | 92 | 117·8 | .. | 656 | + 20 |
| *M* | 139·7 | 105·5 | 109·2 | 105·8 | 108 | 110 | 91 | 117·2 | .. | 651 | + 39 |
| *A* | 139·8 | 104·6 | 108·5 | 105·9 | 106 | 106 | 92 | 124·7 | .. | 657 | + 1 |
| *M* | 140·8 | 104·7 | 107·5 | 105·3 | 106 | 110 | 90 | 128·7 | .. | 653 | + 29 |
| *J* | 142·8 | 105·5 | 107·5 | 107·7 | 107 | 111 | 91 | 116·1 | .. | 687 | + 71 |
| *J* | 142·3 | 104·8 | 107·4 | 106·6 | 105 | 110 | 91 | 125·0 | .. | 677 | + 64 |
| *A* | 144·2 | 105·6 | 108·7 | 105·6 | 108 | 110 | 93 | 126·8 | .. | 669 | + 26 |
| *S* | 145·6 | 105·6 | 109·1 | 105·7 | 109 | 110 | 91 | 131·8 | .. | 698 | + 70 |
| *O* | 147·1 | 106·1 | 108·7 | 107·6 | 111 | 111 | 90 | 128·0 | .. | 692 | + 102 |
| *N* | 147·3 | 105·6 | 108·3 | 106·4 | 109 | 112 | 90 | 134·4 | .. | 681 | + 72 |
| *D* | 146·4 | 104·5 | 107·9 | 107·6 | 110 | 106 | 86 | 128·1 | .. | 706 | + 125 |
| 1982 *J* | 150·7 | 106·9 | 109·0 | 107·5 | 112 | 114 | 91 | 102·2 | .. | 682 | + 63 |
| *F* | 150·4 | 106·1 | 108·0 | 106·1 | 112 | 114 | 90 | 126·2 | .. | 698 | + 54 |
| *M* | 151·7 | 106·6 | 108·8 | 108·3 | 111 | 113 | 89 | 125·9 | .. | 776 | + 142 |
| *A* | 151·2 | 106·3 | 109·1 | 108·1 | 110 | 112 | 89 | 124·8 | .. | 730 | + 83 |
| *M* | 153·0 | 106·9 | 109·0 | 107·7 | 110 | 117 | 89 | 119·7 | .. | 729 | + 99 |
| *J* | 153·9 | 107·2 | 109·6 | 108·4 | 113 | 117 | 86 | 125·5 | .. | 751 | + 100 |
| *J* | 154·8 | 108·0 | 109·4 | 108·5 | 112 | 122 | 88 | 130·2 | .. | 703 | + 110 |
| *A* | 156·7 | 109·4 | 108·6 | 111·7 | 114 | 126 | 88 | 157·9 | .. | 853 | + 213 |
| *S* | 158·0 | 109·3 | 110·2 | 110·4 | 114 | 124 | 88 | 129·0 | .. | 840 | + 225 |
| *O* | 158·6 | 109·3 | 109·7 | 110·7 | 115 | 124 | 88 | 147·6 | .. | 808 | + 214 |
| *N* | 160·2 | 110·0 | 109·8 | 111·8 | 117 | 126 | 87 | 138·9 | .. | 874 | + 196 |
| *D* | 163·9 | 112·2 | 113·0 | 115·0 | 119 | 126 | 87 | 144·3 | .. | 874 | + 88 |
| 1983 *J* | 160·9 | 110·1 | 108·9 | 112·1 | 116 | 128 | 88 | | .. | 872 | + 193 |

[1] Monthly averages.

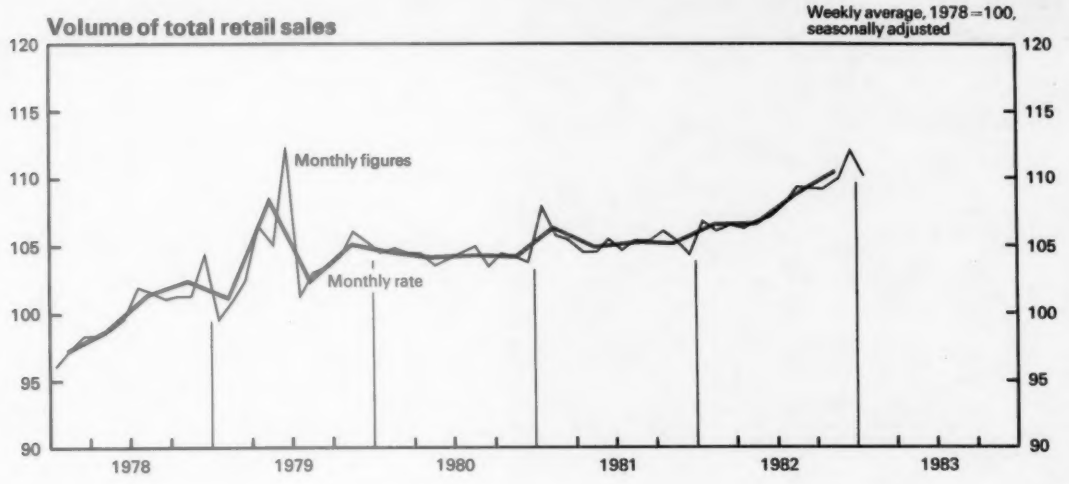
[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1980 is exceptionally a five-week period. The quarterly indices are weighted averages of monthly indices for the months within the quarter. The weights are the number of weeks in each monthly period.

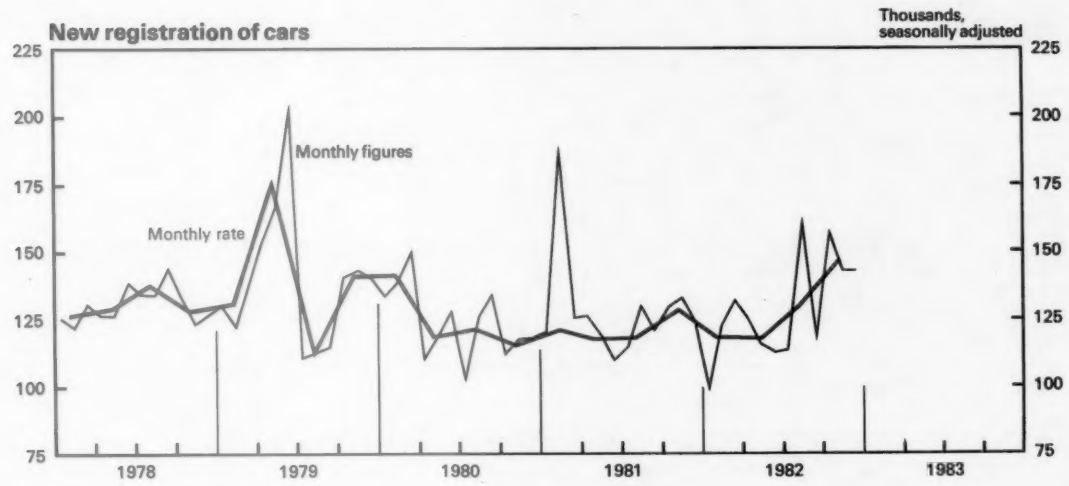
[3] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

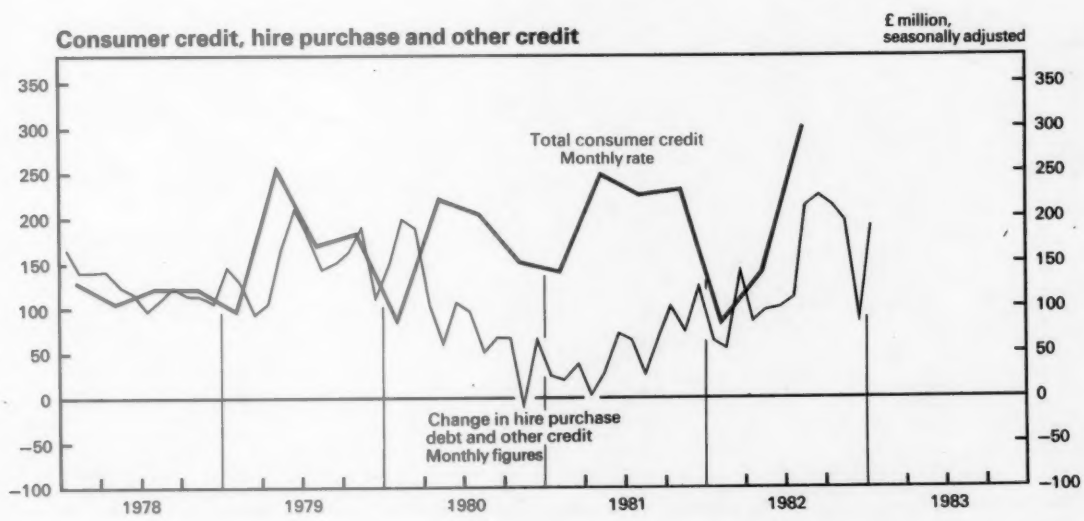
[4] Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. clothing retailers, household goods retailers, mixed retail businesses (other than co-operative societies) and general mail order houses. Most consumer credit extended by UK banks and credit extended by insurance companies is outside the scope of these series, but some lending to companies is included, (see pages 108–109 of *Economic Trends* No. 311, September 1979). There is a break in the series between 1977 and 1978 due to a change in coverage. For details see *Trade and Industry*, 12 April 1979.

[5] Following the change in taxation policy for goods vehicles, effective from 1 October 1982, the previous 'private car and van' series has been substituted by an analysis of cars in all taxation classes. Although there are slight differences in the monthly counts between the two series this will not significantly effect movements in the estimates of the underlying trend. The timing of the cyclical turning points has not been affected by the substitution.

[6] Including further interest payments due over the whole period of the loans.


Volume of total retail sales
Weekly average, 1978=100, seasonally adjusted
120
115
110
105
100
95
90
Monthly figures
Monthly rate
1978
1979
1980
1981
1982
1983


New registration of cars
Thousands, seasonally adjusted
225
200
175
150
125
100
75
Monthly figures
Monthly rate
1978
1979
1980
1981
1982
1983


Consumer credit, hire purchase and other credit
£ million, seasonally adjusted
350
300
250
200
150
100
50
0
−50
−100
Total consumer credit
Monthly rate
Change in hire purchase debt and other credit
Monthly figures
1978
1979
1980
1981
1982
1983

## Gross domestic product and shares of income and expenditure

**Seasonally adjusted**

| | £ million | | | Per cent | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross domestic product at current factor cost | | Total final expenditure (current market prices) | Percentage share of total final expenditure | | | | | | Percentage share of gross domestic product (income based) | | | | |
| | | | | | | Gross fixed investment | | | | | Gross trading profits | | | |
| | Expenditure based | Income based | | Consumer's expenditure | General government consumption | General government | Public corporations | Private sector | Exports | Income from employment | Companies[1] | Other[1,2] | Income from self employment[1] | Other income[3] |
| 1973 | 64,362 | 65,438 | 92,058 | 49·7 | 14·5 | 4·0 | 2·3 | 9·2 | 18·7 | 66·9 | 12·5 | 3·1 | 10·2 | 7·3 |
| 1974 | 74,641 | 74,411 | 110,474 | 47·6 | 15·0 | 4·0 | 2·6 | 8·7 | 20·9 | 70·2 | 9·2 | 3·1 | 9·3 | 8·2 |
| 1975 | 94,339 | 93,954 | 133,771 | 48·3 | 17·2 | 3·7 | 2·9 | 8·6 | 20·3 | 72·6 | 8·3 | 3·0 | 8·5 | 7·6 |
| 1976 | 111,566 | 109,509 | 161,462 | 46·4 | 16·6 | 3·4 | 2·9 | 8·3 | 21·9 | 70·8 | 9·0 | 3·8 | 8·6 | 7·8 |
| 1977 | 127,050 | 127,680 | 186,382 | 46·1 | 15·7 | 2·6 | 2·6 | 8·7 | 23·4 | 67·2 | 13·0 | 3·8 | 8·4 | 7·6 |
| 1978 | 146,079 | 147,184 | 210,921 | 46·9 | 15·6 | 2·2 | 2·3 | 9·6 | 22·6 | 66·7 | 13·5 | 3·5 | 8·8 | 7·5 |
| 1979 | 167,937 | 169,917 | 247,984 | 47·2 | 15·5 | 2·1 | 2·3 | 9·5 | 22·2 | 67·8 | 12·6 | 2·9 | 9·1 | 7·6 |
| 1980 | 194,538 | 196,848 | 284,025 | 47·8 | 17·1 | 2·0 | 2·4 | 9·5 | 22·2 | 69·1 | 11·5 | 3·0 | 8·5 | 7·9 |
| 1981 | 211,411 | 213,023 | 309,267 | 48·9 | 17·8 | 1·5 | 2·2 | 9·0 | 21·9 | 69·1 | 10·9 | 3·3 | 8·4 | 8·3 |
| 1979 *3* | 42,943 | 43,343 | 63,768 | 47·0 | 15·5 | 2·2 | 2·3 | 9·4 | 22·2 | 67·8 | 12·7 | 2·8 | | 16·7 |
| *4* | 44,612 | 45,128 | 66,645 | 47·2 | 15·4 | 2·0 | 2·3 | 9·8 | 22·5 | 68·2 | 12·6 | 2·7 | | 16·5 |
| 1980 *1* | 45,825 | 46,855 | 69,038 | 47·5 | 16·1 | 1·9 | 2·3 | 9·7 | 23·0 | 68·5 | 12·3 | 2·9 | | 16·3 |
| *2* | 48,034 | 49,239 | 70,838 | 47·1 | 16·5 | 1·9 | 2·4 | 9·5 | 22·4 | 68·3 | 12·8 | 2·8 | | 16·1 |
| *3* | 49,794 | 49,718 | 71,570 | 48·0 | 17·5 | 2·0 | 2·4 | 9·5 | 21·8 | 70·2 | 10·2 | 3·0 | | 16·6 |
| *4* | 50,885 | 51,036 | 72,579 | 48·5 | 18·1 | 2·0 | 2·4 | 9·4 | 21·8 | 69·4 | 10·8 | 3·2 | | 16·6 |
| 1981 *1* | 51,943 | 51,620 | 73,658 | 49·4 | 17·8 | 1·8 | 2·4 | 9·0 | 21·5 | 69·3 | 11·0 | 3·1 | | 16·6 |
| *2* | 52,400 | 52,757 | 75,722 | 49·4 | 17·9 | 1·6 | 2·3 | 8·9 | 21·7 | 69·0 | 11·2 | 3·3 | | 16·5 |
| *3* | 52,928 | 53,912 | 79,164 | 48·4 | 17·7 | 1·3 | 2·1 | 9·1 | 22·0 | 69·0 | 10·7 | 3·5 | | 16·8 |
| *4* | 54,140 | 54,734 | 80,723 | 48·6 | 17·6 | 1·3 | 2·2 | 9·0 | 22·5 | 69·0 | 10·9 | 3·3 | | 16·8 |
| 1982 *1* | 55,427 | 55,440 | 82,308 | 48·3 | 17 7 | 1·4 | 2·3 | 9·1 | 21·5 | 69·0 | 10·4 | 3·7 | | 16·9 |
| *2* | 56,785 | 56,598 | 84,203 | 48·5 | 17·6 | 0·9 | 2·2 | 8·9 | 21·6 | 68·2 | 11·1 | 4·1 | | 16·6 |
| *3* | 57,477 | 57,650 | 84,702 | 49·4 | 17·7 | 1·2 | 2·2 | 9·1 | 21·4 | 67·6 | 11·6 | 4·1 | | 16·7 |

[1] After providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises.
[3] Rent income, and imputed charge for consumption of non-trading capital.

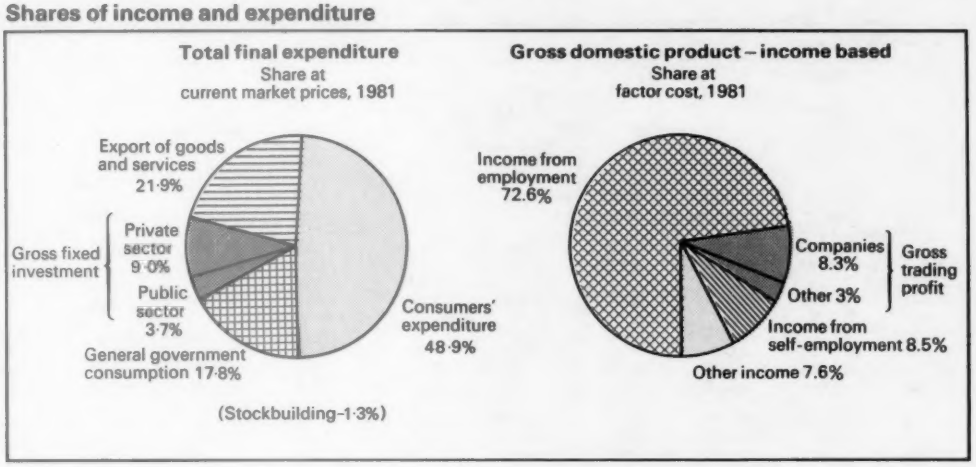
## Income, product and spending *per capita*

**Seasonally adjusted**

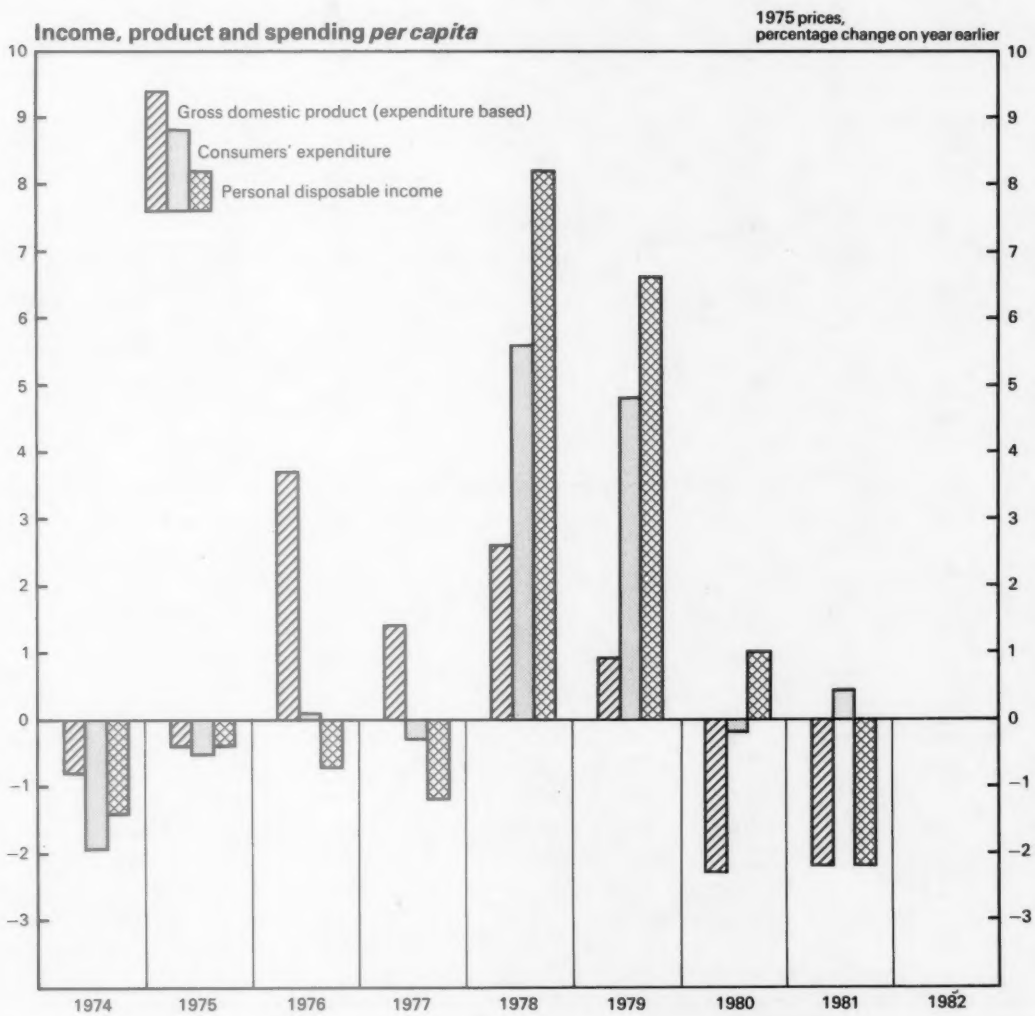
| | £, current prices | | | | £, 1975 prices | | |
|---|---|---|---|---|---|---|---|
| | Gross national product[1] | Gross domestic product[1, 2] | Consumers' expenditure | Personal disposable income | Gross domestic product[1, 2] | Consumers' expenditure | Personal disposable income |
| 1973 | 1,172 | 1,149 | 817 | 925 | 1,708 | 1,185 | 1,340 |
| 1974 | 1,358 | 1,333 | 940 | 1,070 | 1,695 | 1,161 | 1,322 |
| 1975 | 1,699 | 1,685 | 1,155 | 1,322 | 1,685 | 1,155 | 1,322 |
| 1976 | 2,018 | 1,994 | 1,338 | 1,518 | 1,748 | 1,156 | 1,312 |
| 1977 | 2,274 | 2,272 | 1,537 | 1,722 | 1,774 | 1,154 | 1,293 |
| 1978 | 2,624 | 2,613 | 1,769 | 2,029 | 1,830 | 1,220 | 1,400 |
| 1979 | 3,018 | 3,002 | 2,093 | 2,445 | 1,854 | 1,280 | 1,496 |
| 1980 | 3,468 | 3,473 | 2,423 | 2,871 | 1,812 | 1,277 | 1,514 |
| 1981 | 3,792 | 3,774 | 2,701 | 3,118 | 1,772 | 1,283 | 1,481 |
| 1979 *1* | 703 | 696 | 479 | 567 | 456 | 312 | 369 |
| *2* | 745 | 743 | 518 | 585 | 469 | 328 | 371 |
| *3* | 773 | 767 | 535 | 621 | 466 | 318 | 370 |
| *4* | 797 | 796 | 561 | 672 | 464 | 322 | 386 |
| 1980 *1* | 816 | 818 | 586 | 682 | 459 | 324 | 377 |
| *2* | 855 | 858 | 596 | 701 | 454 | 317 | 373 |
| *3* | 888 | 889 | 613 | 735 | 451 | 318 | 382 |
| *4* | 910 | 908 | 629 | 753 | 448 | 319 | 382 |
| 1981 *1* | 932 | 929 | 650 | 763 | 450 | 323 | 379 |
| *2* | 943 | 936 | 668 | 769 | 443 | 320 | 368 |
| *3* | 947 | 944 | 683 | 785 | 436 | 320 | 368 |
| *4* | 969 | 965 | 699 | 801 | 443 | 320 | 367 |
| 1982 *1* | 987 | 991 | 711 | 816 | 449 | 320 | 368 |
| *2* | 1,021 | 1,014 | 728 | 815 | 448 | 321 | 359 |
| *3* | 1,027 | 1,024 | 745 | 824 | 446 | 325 | 359 |

[1] At factor cost.
[2] Based on expenditure data.

## Shares of income and expenditure




## Income, product and spending *per capita*



## Gross domestic fixed capital formation by sector and by type of asset

**Seasonally adjusted**

**£ million, 1975 prices[1]**

| | | Sector[2] | | | Type of asset | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Dwellings | | | | | |
| | | Total[3] | Private sector | General government | Public corporations | Total | *of which:* Private | *of which:* Public | Other new building and works[3] | Vehicles, ships and aircraft | Plant and machinery |
| 1971 | | 19,743 | 11,099 | 5,297 | 3,334 | 4,091 | 2,440 | 1,733 | 7,781 | 1,882 | 6,264 |
| 1972 | | 19,823 | 11,776 | 5,076 | 2,932 | 4,309 | 2,745 | 1,609 | 7,607 | 2,148 | 6,055 |
| 1973 | | 21,195 | 12,267 | 5,793 | 3,135 | 4,152 | 2,449 | 1,703 | 7,852 | 2,416 | 6,775 |
| 1974 | | 20,562 | 11,578 | 5,418 | 3,566 | 3,826 | 2,004 | 1,822 | 7,469 | 2,304 | 6,963 |
| 1975 | | 20,408 | 11,504 | 4,984 | 3,920 | 4,149 | 2,182 | 1,967 | 7,560 | 2,041 | 6,658 |
| 1976 | | 20,640 | 11,759 | 4,836 | 4,045 | 4,264 | 2,180 | 2,084 | 7,546 | 2,018 | 6,812 |
| 1977 | | 20,139 | 12,419 | 4,018 | 3,702 | 3,913 | 2,039 | 1,874 | 7,075 | 2,182 | 6,969 |
| 1978 | | 20,845 | 13,815 | 3,557 | 3,473 | 4,061 | 2,327 | 1,734 | 6,996 | 2,286 | 7,502 |
| 1979 | | 21,039 | 14,186 | 3,414 | 3,439 | 3,615 | 2,017 | 1,598 | 6,750 | 2,421 | 8,253 |
| 1980 | | 20,443 | 13,997 | 2,982 | 3,464 | 3,106 | 1,692 | 1,414 | 6,378 | 2,301 | 8,658 |
| 1981 | | 18,774 | 13,460 | 2,147 | 3,167 | 2,346 | 1,430 | 916 | 6,184 | 1,883 | 8,361 |
| 1977 | *3* | 5,029 | 3,143 | 964 | 922 | 991 | 542 | 449 | 1,708 | 569 | 1,761 |
| | *4* | 5,115 | 3,238 | 954 | 923 | 1,000 | 543 | 457 | 1,763 | 527 | 1,825 |
| 1978 | *1* | 5,268 | 3,466 | 946 | 856 | 1,091 | 631 | 460 | 1,728 | 607 | 1,842 |
| | *2* | 5,343 | 3,564 | 894 | 885 | 1,024 | 599 | 425 | 1,835 | 593 | 1,891 |
| | *3* | 5,178 | 3,423 | 884 | 871 | 1,011 | 557 | 454 | 1,707 | 578 | 1,882 |
| | *4* | 5,056 | 3,362 | 833 | 861 | 935 | 540 | 395 | 1,726 | 508 | 1,887 |
| 1979 | *1* | 5,091 | 3,393 | 836 | 862 | 851 | 463 | 388 | 1,674 | 599 | 1,967 |
| | *2* | 5,230 | 3,539 | 839 | 852 | 893 | 500 | 393 | 1,646 | 656 | 2,035 |
| | *3* | 5,323 | 3,546 | 901 | 876 | 892 | 480 | 412 | 1,732 | 626 | 2,073 |
| | *4* | 5,395 | 3,708 | 838 | 849 | 979 | 574 | 405 | 1,698 | 540 | 2,178 |
| 1980 | *1* | 5,292 | 3,625 | 789 | 878 | 890 | 482 | 408 | 1,631 | 624 | 2,147 |
| | *2* | 5,163 | 3,486 | 767 | 910 | 799 | 436 | 363 | 1,579 | 614 | 2,171 |
| | *3* | 5,036 | 3,438 | 737 | 861 | 748 | 411 | 337 | 1,560 | 525 | 2,203 |
| | *4* | 4,952 | 3,448 | 689 | 815 | 669 | 363 | 306 | 1,608 | 538 | 2,137 |
| 1981 | *1* | 4,690 | 3,235 | 637 | 818 | 624 | 374 | 250 | 1,521 | 447 | 2,098 |
| | *2* | 4,667 | 3,280 | 560 | 827 | 583 | 341 | 242 | 1,491 | 487 | 2,106 |
| | *3* | 4,663 | 3,439 | 474 | 750 | 582 | 365 | 217 | 1,557 | 447 | 2,077 |
| | *4* | 4,754 | 3,506 | 476 | 772 | 557 | 350 | 207 | 1,615 | 502 | 2,080 |
| 1982 | *1* | 4,908 | 3,608 | 482 | 818 | 635 | 377 | 258 | 1,677 | 507 | 2,089 |
| | *2* | 4,702 | 3,498 | 373 | 831 | 582 | 379 | 203 | 1,598 | 449 | 2·073 |
| | *3* | 4,865 | 3,588 | 458 | 819 | 596 | 391 | 205 | 1,709 | 503 | 2,057 |
| | *4* | | | | | | | | | | |
| | | *Percentage change, quarter on corresponding quarter of previous year* | | | | | | | | | |
| 1977 | *3* | *– 3·7* | *1·3* | *–17·8* | *– 2·6* | *– 7·7* | *– 4·1* | *–11·8* | *–12·7* | *12·2* | *4·4* |
| | *4* | *1·8* | *11·5* | *–16·2* | *– 6·0* | *– 3·5* | *5·9* | *–12·6* | *3·0* | *2·9* | *3·5* |
| 1978 | *1* | *8·0* | *21·1* | *–13·9* | *– 6·7* | *16·2* | *42·4* | *– 7·2* | *– 1·0* | *13·9* | *10·8* |
| | *2* | *4·4* | *12·3* | *–10·7* | *– 5·9* | *4·2* | *17·2* | *–10·0* | *– 1·3* | *7·2* | *9·9* |
| | *3* | *3·0* | *8·9* | *– 8·3* | *– 5·5* | *2·0* | *2·8* | *1·1* | *0·0* | *1·6* | *6·9* |
| | *4* | *– 1·2* | *3·8* | *–12·7* | *– 6·7* | *– 6·5* | *– 0·5* | *–13·6* | *– 2·1* | *3·6* | *3·4* |
| 1979 | *1* | *– 3·4* | *– 2·1* | *–11·6* | *0·7* | *–22·0* | *–26·6* | *–15·7* | *– 3·1* | *– 1·3* | *6·8* |
| | *2* | *– 2·1* | *– 0·7* | *– 6·2* | *– 3·7* | *–12·8* | *–16·6* | *– 7·5* | *–10·3* | *10·6* | *7·6* |
| | *3* | *2·8* | *3·6* | *1·9* | *0·6* | *–11·8* | *–13·8* | *– 9·2* | *1·4* | *8·3* | *10·2* |
| | *4* | *6·7* | *10·3* | *0·6* | *– 1·4* | *4·7* | *6·3* | *2·5* | *– 1·6* | *6·3* | *15·4* |
| 1980 | *1* | *4·0* | *6·8* | *– 5·6* | *1·8* | *4·6* | *4·1* | *5·1* | *– 2·6* | *4·2* | *9·1* |
| | *2* | *– 1·3* | *– 1·5* | *– 8·6* | *6·8* | *–10·5* | *–12·8* | *– 7·6* | *– 4·1* | *– 6·4* | *6·7* |
| | *3* | *– 5·4* | *– 3·0* | *–18·2* | *– 1·7* | *–16·2* | *–14·4* | *–18·2* | *– 9·9* | *–16·1* | *6·3* |
| | *4* | *– 8·2* | *– 7·0* | *–17·8* | *– 4·0* | *–31·7* | *–36·7* | *–24·4* | *– 5·3* | *– 0·4* | *– 1·9* |
| 1981 | *1* | *–11·4* | *–10·8* | *–19·3* | *– 6·8* | *–29·9* | *–22·4* | *–38·7* | *– 6·7* | *–28·4* | *– 2·3* |
| | *2* | *– 9·6* | *– 5·9* | *–27·0* | *– 9·1* | *–27·0* | *–21·8* | *–33·3* | *– 5·6* | *–20·7* | *– 3·0* |
| | *3* | *– 7·4* | *0·0* | *–35·7* | *–12·9* | *–22·2* | *–11·2* | *–35·6* | *– 0·2* | *–14·8* | *– 5·7* |
| | *4* | *– 4·0* | *1·7* | *–30·9* | *– 5·3* | *–16·8* | *– 3·6* | *–32·4* | *0·4* | *– 6·7* | *– 2·7* |
| 1982 | *1* | *4·6* | *11·5* | *–24·3* | *—* | *1·8* | *0·8* | *3·2* | *10·2* | *13·4* | *– 0·4* |
| | *2* | *0·8* | *6·7* | *–33·4* | *0·5* | *– 0·2* | *11·2* | *–16·1* | *7·2* | *– 7·8* | *– 1·6* |
| | *3* | *4·3* | *4·3* | *– 3·4* | *9·2* | *2·4* | *7·1* | *– 5·5* | *9·8* | *12·5* | *– 1·0* |
| | *4* | | | | | | | | | | |

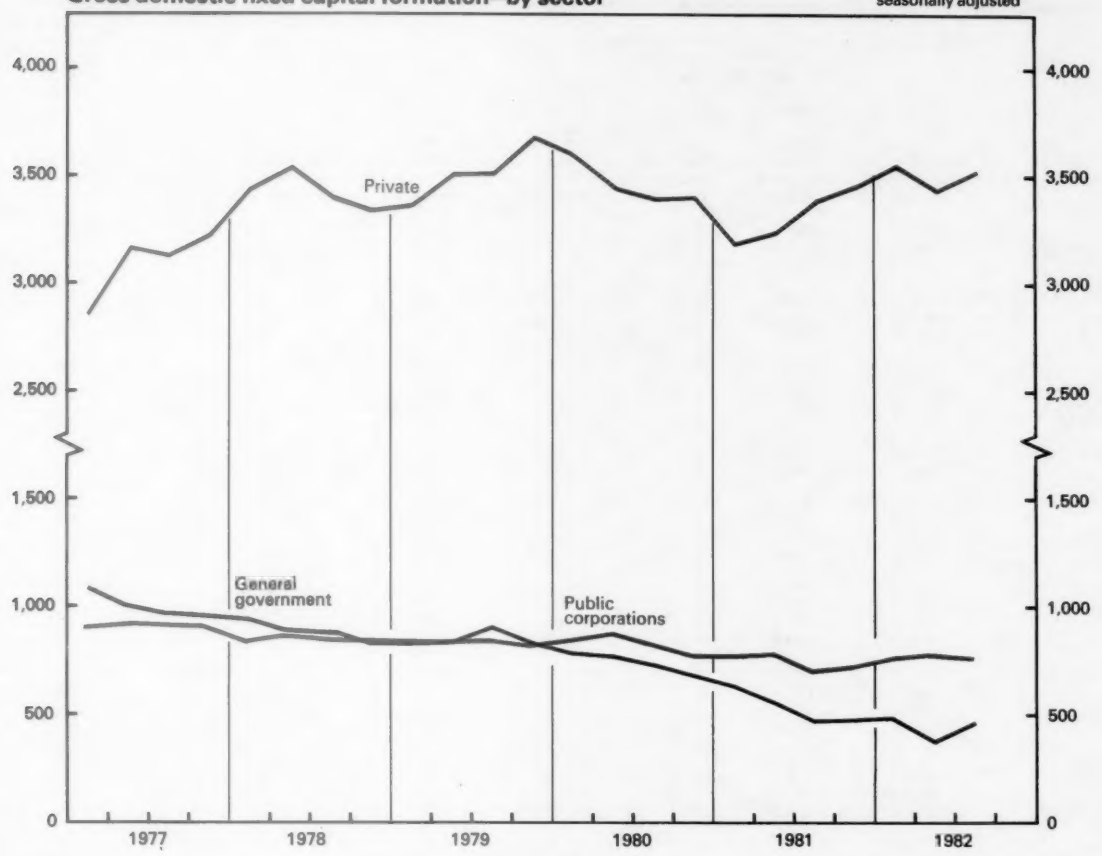
[1] For the years before 1973, totals may not equal the sum of their components, because of the method used in rebasing to 1975 prices.

[2] Including purchases *less* sales of land and existing buildings.

[3] Including transfer costs of land and buildings.

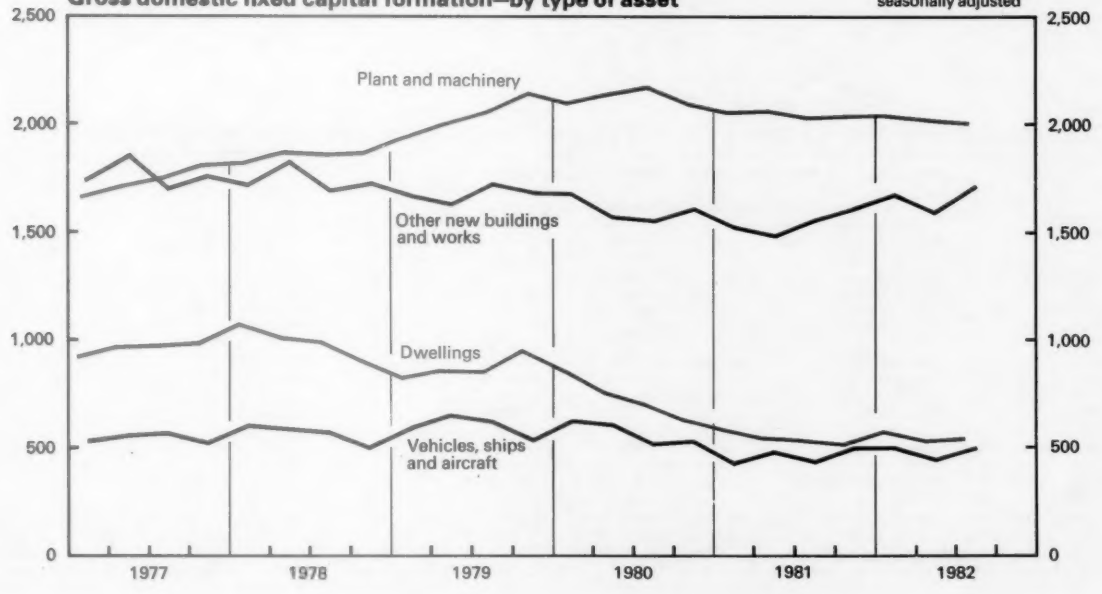
**Gross domestic fixed capital formation—by sector**

£ million, 1975 prices, seasonally adjusted




**Gross domestic fixed capital formation—by type of asset**

£ million, 1975 prices, seasonally adjusted



## Indicators of fixed investment by manufacturing industry

| | | Gross fixed investment by manufacturing industry | | | | | | | New orders received by contractors for private industrial work (GB) |
|---|---|---|---|---|---|---|---|---|---|
| | | Total[5] | Plant and machinery | | | New building and works | | | |
| | | | Gross fixed investment | | CBI Intentions Inquiry | Gross fixed investment | | CBI Intentions Inquiry | |
| | | £ million, 1975 prices, seasonally adjusted | £ million, 1975 prices, seasonally adjusted | *Percentage change on year earlier* | Balance[1] | £ million, 1975 prices, seasonally adjusted | *Percentage change on year earlier* | Balance[1] | £ million, 1975 prices, seasonally adjusted |
| 1973 | | 3,439·8 | 2,505·3 | *+ 4* | .. | 674·4 | *− 5* | .. | 1,287 |
| 1974 | | 3,781·8 | 2,821·3 | *+13* | .. | 686·9 | *+ 2* | .. | 1,076 |
| 1975 | | 3,521·9 | 2,682·1 | *− 5* | .. | 639·9 | *− 7* | .. | 684 |
| 1976 | | 3,325·8 | 2,584·5 | *− 4* | .. | 503·5 | *−21* | .. | 797 |
| 1977 | | 3,475·5 | 2,649·2 | *+ 3* | .. | 550·4 | *+ 9* | .. | 955 |
| 1978 | | 3,769·4 | 2,884·4 | *+ 9* | .. | 622·4 | *+13* | .. | 998 |
| 1979 | | 3,969·1 | 3,053·4 | *+ 6* | .. | 643·9 | *+ 3* | .. | 1,009 |
| 1980 | | 3,573·4 | 2,807·8 | *− 8* | .. | 535·0 | *−17* | .. | 852 |
| 1981 | | 2,937·5 | 2,328·5 | *−17* | .. | 431·1 | *−19* | .. | 791 |
| 1982 | | 2,638·7 | 2,021·8 | *−13* | .. | 403·2 | *− 6* | .. | 683 |
| 1978 | *3* | 940·6 | 716·1 | *+ 7* | 13 | 157·2 | *+14* | −15 | 256 |
| | *4* | 953·3 | 730·2 | *+ 5* | 10 | 166·4 | *+18* | −11 | 211 |
| 1979 | *1* | 987·7 | 754·5 | *+ 7* | 12 | 168·1 | *+15* | − 7 | 239 |
| | *2* | 986·5 | 759·2 | *+ 3* | 12 | 158·4 | *+ 4* | − 6 | 257 |
| | *3* | 988·6 | 761·0 | *+ 6* | 8 | 162·5 | *+ 3* | − 9 | 244 |
| | *4* | 1,006·3 | 778·7 | *+ 7* | − 9 | 154·9 | *− 7* | −20 | 269 |
| 1980 | *1* | 954·9 | 753·5 | *—* | −18 | 133·7 | *−20* | −30 | 223 |
| | *2* | 913·6 | 714·2 | *− 6* | −18 | 139·9 | *−12* | −31 | 225 |
| | *3* | 894·6 | 703·7 | *− 8* | −43 | 135·2 | *−17* | −47 | 197 |
| | *4* | 810·3 | 636·4 | *−18* | −46 | 126·2 | *−19* | −49 | 207 |
| 1981 | *1* | 777·4 | 611·5 | *−19* | −38 | 127·6 | *− 5* | −46 | 162 |
| | *2* | 756·1 | 603·2 | *−16* | −30 | 111·2 | *−21* | −40 | 184 |
| | *3* | 704·6 | 566·9 | *−19* | −23 | 94·0 | *−30* | −35 | 243 |
| | *4* | 699·4 | 546·9 | *−14* | −13 | 98·3 | *−22* | −33 | 201 |
| 1982 | *1* | 697·6 | 546·8 | *−11* | − 5 | 98·1 | *−23* | −25 | 176 |
| | *2* | 658·2 | 505·7 | *−16* | − 2 | 98·6 | *−11* | −25 | 167 |
| | *3* | 647·0 | 491·0 | *−13* | −11 | 101·2 | *+ 8* | −26 | 184 |
| | *4* | 635·9 | 478·3 | *−13* | −20 | 105·3 | *+ 7* | −33 | 156 |
| 1983 | *1* | | | | − 5 | | | −26 | |

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

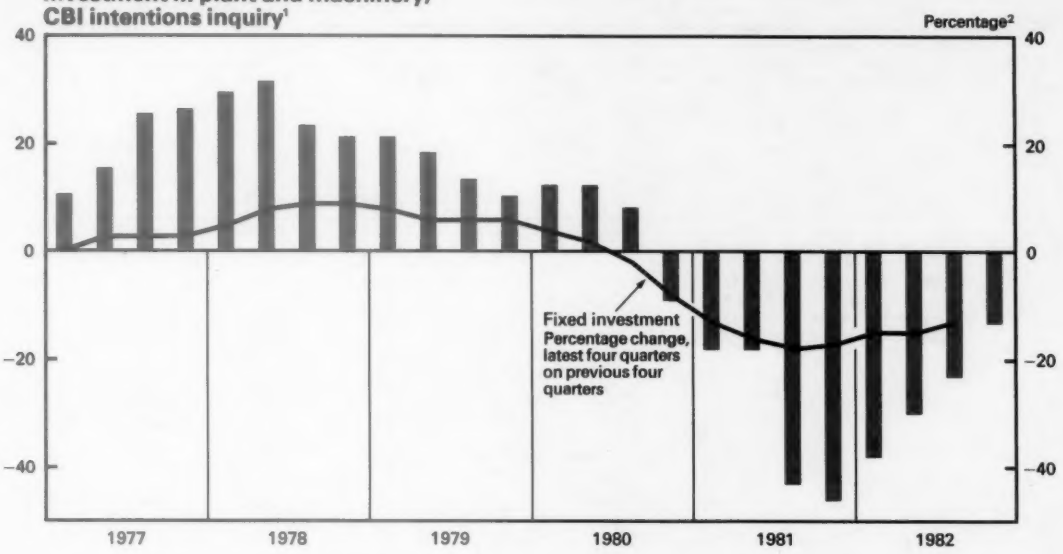
## Department of Industry inquiry into investment intentions[1]: manufacturing industry

| | Percentage change over previous year, in volume terms | | | | |
|---|---|---|---|---|---|
| | Gross fixed investment (excluding leased assets) | | | | |
| | First December Forecast | First June Forecast | Second December Forecast | Second June Forecast | Actual |
| 1973 | Might be a rise | No specific comment | +2 to +5 | About +5 | + 2·1 |
| 1974 | Strong increase | Strong increase | some +12 to +14 | About +5 | + 9·9 |
| 1975 | Little change | Little change | −7 to −10 | Of order of −15 | − 6·9 |
| 1976 | Further reduction | Little change | −5 to −8 | −6 (5 to 8) | − 5·6 |
| 1977 | Large increase | Of order of +15 | +10 to +15 | +6 to +10 | + 4·5 |
| 1978 | Strong increase | +20 or more | +10 to +13 | +10 to +13 | + 8·5 |
| 1979 | Rise, less than +8 | Rise, less than +8 | +4 to +8 | +2 to +5 | + 5·3 |
| 1980 | Slight fall | Slight fall | −6 to −10 | −8 to −12 | − 9·9 |
| 1981 | Further fall | Fall of up to 8 to 12 | −15 to −20 | −15 to −18 | −17·8 |
| 1982 | Some recovery | Some recovery | −1 to −3 | −3 to −5 | |
| 1983 | Appreciable increase | Rise, around 5 | Fall, up to 5 | | |
| 1984 | No recovery | | | | |

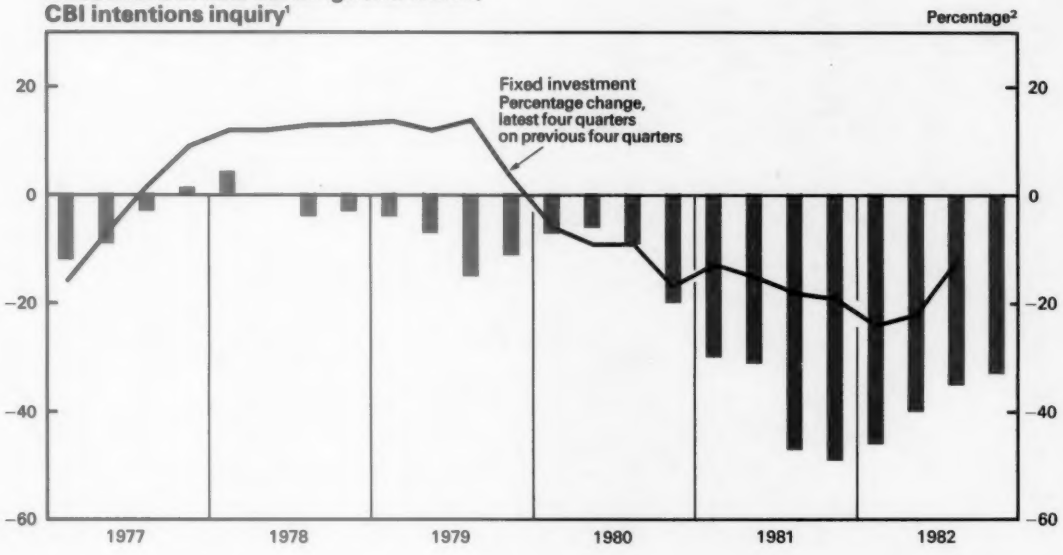
[1] The frequency and timing of these inquiries has been altered from 1980 and this has necessitated a change in the columns of the table. The summer forecasts which previously appeared have been discontinued and the table now gives information for all the remaining inquiries.

An article, "Investment intentions survey: 1971 to 1981", published in *British business* on 24 September 1982 describes these alterations and expands the table to include all the inquiries. A similar table is included for the inquiries into the distributive and service industries.

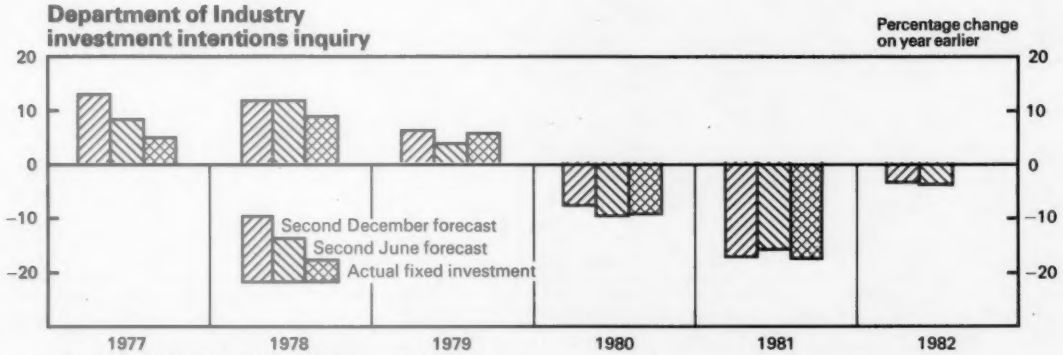
**Investment in plant and machinery, CBI intentions inquiry[1]**




**Investment in new buildings and works, CBI intentions inquiry[1]**




**Department of Industry investment intentions inquiry**




[1] The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment.

[2] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

## Indicators of fixed investment in dwellings

| | Seasonally adjusted | | | | | | | | Unadjusted |
|---|---|---|---|---|---|---|---|---|---|
| | £ million, 1975 prices | | Thousands | | | | £ million | | 1980 =100 |
| | | | Housing starts (GB) [5] | | Housing completions (GB) [5] | | Building Societies Association | | |
| | Fixed investment in dwellings | Orders received by contractors for new houses (GB) | Private sector[5] | Public sector[5] | Private sector[5] | Public sector[5] | Commitments on new dwellings | Advances on new dwellings | Average price of new dwellings: mortgages approved[1] |
| 1973 | 4,152 | 3,320 | 215·7 | 112·8 | 186·6 | 107·5 | 816 | 903 | 39·2 |
| 1974 | 3,826 | 2,224 | 105·9 | 146·1 | 140·9 | 128·6 | 704 | 700 | 41·6 |
| 1975 | 4,149 | 2,663 | 149·1 | 173·8 | 150·8 | 162·3 | 994 | 945 | 45·5[2] |
| 1976 | 4,264 | 2,712 | 154·7 | 170·8 | 152·2 | 163·0 | 1,119 | 1,125 | 49·3 |
| 1977 | 3,913 | 2,214 | 134·8 | 132·1 | 140·8 | 162·5 | 1,260 | 1,175 | 54·2 |
| 1978 | 4,061 | 2,316 | 157·3 | 107·4 | 149·0 | 130·7 | 1,523 | 1,504 | 64·9 |
| 1979 | 3,615 | 1,901 | 144·0 | 81·2 | 140·4 | 104·0 | 1,498 | 1,519 | 83·4 |
| 1980 | 3,106 | 1,266 | 98·0 | 56·0 | 126·6 | 106·9 | 1,444 | 1,406 | 100·0 |
| 1981 | 2,346 | 1,166 | 116·8 | 36·9 | 114·2 | 85·2 | 1,427 | 1,456 | 102·4[3] |
| 1982 | | 1,596[4] | 140·6[4] | 52·3[4] | 121·9[4] | 49·3[4] | 1,877 | 1 692 | 104·1 |
| 1977 *3* | 991 | 552 | 35·3 | 34·6 | 34·8 | 41·8 | 330 | 305 | 54·9 |
| *4* | 1,000 | 590 | 34·9 | 34·5 | 36·2 | 42·9 | 391 | 340 | 56·7 |
| 1978 *1* | 1,091 | 606 | 35·5 | 27·2 | 37·8 | 33·8 | 413 | 372 | 59·4 |
| *2* | 1,024 | 586 | 39·6 | 30·0 | 38·1 | 33·2 | 372 | 402 | 62·8 |
| *3* | 1,011 | 586 | 38·3 | 26·0 | 35·8 | 32·4 | 357 | 362 | 67·5 |
| *4* | 935 | 538 | 43·9 | 24·2 | 37·3 | 31·4 | 381 | 368 | 71·8 |
| 1979 *1* | 851 | 444 | 28·0 | 18·2 | 31·2 | 23·2 | 375 | 368 | 75·7 |
| *2* | 893 | 499 | 35·5 | 20·9 | 33·8 | 25·3 | 378 | 384 | 81·2 |
| *3* | 892 | 512 | 38·1 | 19·9 | 32·9 | 24·8 | 378 | 399 | 86·8 |
| *4* | 979 | 446 | 42·4 | 22·2 | 42·5 | 30·7 | 367 | 368 | 91·9 |
| 1980 *1* | 890 | 400 | 30·1 | 18·2 | 34·3 | 27·8 | 348 | 362 | 96·1 |
| *2* | 799 | 321 | 25·2 | 14·2 | 31·5 | 27·1 | 336 | 339 | 99·9 |
| *3* | 748 | 280 | 21·4 | 13·2 | 31·2 | 26·9 | 372 | 339 | 101·7 |
| *4* | 669 | 265 | 21·3 | 10·4 | 29·6 | 25·1 | 388 | 366 | 102·5 |
| 1981 *1* | 624 | 285 | 31·5 | 8·8 | 30·3 | 27·4 | 380 | 381 | 104·2[3] |
| *2* | 583 | 267 | 28·8 | 8·4 | 26·9 | 22·5 | 375 | 370 | 104·6 |
| *3* | 582 | 292 | 30·5 | 8·9 | 29·0 | 19·4 | 339 | 359 | 102·3 |
| *4* | 557 | 322 | 26·0 | 10·8 | 28·0 | 15·9 | 333 | 346 | 97·9 |
| 1982 *1* | 635 | 390 | 37·5† | 15·2 | 29·3† | 15·4 | 361 | 319 | 99·1 |
| *2* | 582 | 377 | 33·6 | 12·3 | 29·5 | 11·6 | 445 | 406 | 103·7 |
| *3* | 596 | 409 | 35·5 | 11·2† | 29·9 | 11·2 | 469 | 429 | 104·5 |
| *4* | | 421[4] | 34·0[4] | 13·6[4] | 33·2[4] | 11·1[4] | 602 | 538 | 108·2 |
| 1981 *F* | .. | 108 | 11·4 | 3·1 | 10·0 | 10·4 | 135 | 132 | 104·5 |
| *M* | .. | 93 | 9·6 | 2·6 | 10·1 | 8·6 | 129 | 124 | 104·9 |
| *A* | .. | 80 | 8·7 | 2·8 | 8·8 | 7·8 | 123 | 127 | 105·3 |
| *M* | .. | 97 | 10·3 | 2·8 | 9·1 | 7·3 | 121 | 118 | 104·8 |
| *J* | .. | 89 | 9·8 | 2·8 | 9·0 | 7·4 | 131 | 125 | 103·6 |
| *J* | .. | 94 | 9·7 | 2·7 | 8·9 | 6·5 | 113 | 118 | 104·4 |
| *A* | .. | 95 | 11·0 | 2·9 | 10·1 | 6·7 | 113 | 123 | 102·2 |
| *S* | .. | 104 | 9·8 | 3·3 | 10·0 | 6·2 | 113 | 118 | 100·2 |
| *O* | .. | 117 | 9·1 | 3·3 | 9·5 | 5·9 | 105 | 115 | 98·9 |
| *N* | .. | 101 | 9·4 | 4·3 | 9·3 | 5·6 | 113 | 117 | 97·1 |
| *D* | .. | 104 | 7·5 | 3·2 | 9·2 | 4·4 | 115 | 114 | 97·6 |
| 1982 *J* | .. | 114 | 10·9 | 4·8 | 9·6 | 5·0 | 84 | 92 | 98·5 |
| *F* | .. | 133 | 13·6 | 5·7 | 9·7 | 5·3 | 126 | 105 | 97·6 |
| *M* | .. | 143 | 13·0† | 4·7 | 10·0† | 5·1 | 151 | 122 | 100·4 |
| *A* | .. | 129 | 11·6 | 4·2 | 9·0 | 4·0 | 148 | 130 | 102·1 |
| *M* | .. | 123 | 12·1 | 4·6 | 10·9 | 4·4 | 145 | 137 | 103·9 |
| *J* | .. | 125 | 9·9 | 3·5 | 9·6 | 3·2 | 152 | 139 | 105·2 |
| *J* | .. | 119 | 11·5 | 3·2† | 10·1 | 3·4 | 139 | 139 | 104·0 |
| *A* | .. | 131 | 12·2 | 4·1 | 9·6 | 3·9 | 152 | 138 | 104·4 |
| *S* | .. | 158 | 11·8 | 3·9 | 10·2 | 3·9[4] | 178 | 152 | 104·9 |
| *O* | .. | 125 | 11·3 | 4·0 | 10·6 | 3·9[4] | 182 | 168 | 108·2 |
| *N* | .. | 146[4] | 11·2[4] | 4·0[4] | 10·8[4] | 3·4[4] | 204 | 176 | 108·1 |
| *D* | .. | 150[4] | 11·5[4] | 4·7[4] | 11·8[4] | 3·8[4] | 216 | 194 | 108·1 |
| 1983 *J* | .. | 165[4] | 15·8[4] | 5·5[4] | 12·0[4] | 3·8[4] | 179 | 173 | 110·9 |

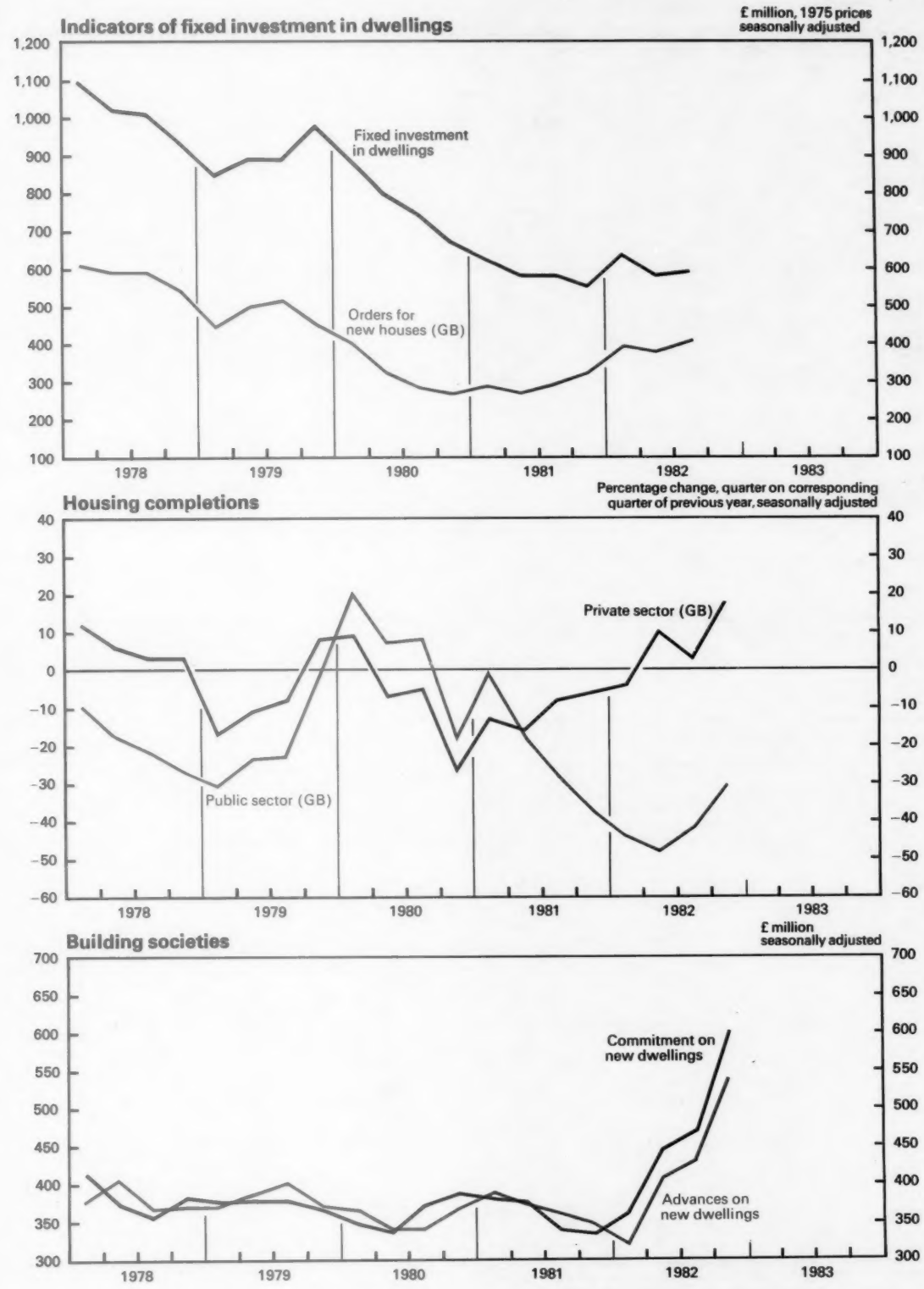
[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.

[3] Figures are based on a new return introduced in January 1981.

[4] Provisional.

[5] Small adjustments made to reconcile seasonally adjusted figures to 1982 annual totals.


Indicators of fixed investment in dwellings
£ million, 1975 prices seasonally adjusted
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
Fixed investment in dwellings
Orders for new houses (GB)
1978
1979
1980
1981
1982
1983
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted
40
30
20
10
0
−10
−20
−30
−40
−50
−60
Private sector (GB)
Public sector (GB)
1978
1979
1980
1981
1982
1983
Building societies
£ million seasonally adjusted
700
650
600
550
500
450
400
350
300
Commitment on new dwellings
Advances on new dwellings
1978
1979
1980
1981
1982
1983

## Stock changes

£ million, 1975 prices, seasonally adjusted

| | All industries | Manufacturing[1] | | | | Distribution | | | Other industries |
|---|---|---|---|---|---|---|---|---|---|
| | | Total | Materials and fuels | Work in progress | Finished goods | Total | Retail | Wholesale | |
| **Value of stocks and work in progress end-December 1981[2]** | 33,083 | 17,922 | 6,070 | 6,762 | 5,090 | 8,912 | 3,958 | 4,954 | 6,249 |
| 1977 *3* | 19 | 1 | 12 | − 38 | 27 | − 83 | − 86 | 3 | 101 |
| *4* | 440 | 138 | 7 | 118 | 13 | 143 | 27 | 116 | 159 |
| 1978 *1* | 304 | 149 | 43 | 45 | 63 | 131 | 11 | 120 | 24 |
| *2* | 276 | − 12 | − 30 | − 36 | 54 | 174 | 140 | 34 | 114 |
| *3* | 253 | 5 | 5 | − 30 | 30 | 200 | 34 | 166 | 48 |
| *4* | 313 | 86 | 32 | 148 | − 94 | 216 | 110 | 106 | 11 |
| 1979 *1* | 781 | 10 | − 15 | − 48 | 73 | 215 | 64 | 151 | 556 |
| *2* | 175 | 21 | 69 | 29 | − 76 | 305 | 75 | 230 | −151 |
| *3* | 542 | 184 | 32 | 57 | 94 | 178 | 123 | 55 | 180 |
| *4* | 284 | − 21 | − 72 | −147 | 198 | 205 | 54 | 151 | 100 |
| 1980 *1* | −273 | −119 | −171 | − 8 | 59 | −224 | −116 | −108 | 70 |
| *2* | − 22 | −101 | −104 | − 90 | 92 | 11 | 43 | − 32 | 68 |
| *3* | −427 | −322 | −205 | − 41 | − 75 | − 64 | 2 | − 66 | − 41 |
| *4* | −833 | −650 | −267 | −135 | −249 | −142 | −140 | − 2 | − 41 |
| 1981 *1* | −642 | −362 | −133 | − 71 | −159 | 56 | 95 | − 39 | −336 |
| *2* | −694 | −398 | −196 | − 50 | −151 | − 35 | 42 | − 77 | −261 |
| *3* | −226 | −158 | − 73 | − 11 | − 73 | − 51 | 18 | − 69 | − 17 |
| *4* | −309 | − 96 | −161 | 68 | − 4 | −214 | − 62 | −152 | 1 |
| 1982 *1* | − 49 | 8 | 19 | −101 | 90 | 62 | 47 | 15 | −119 |
| *2* | 14 | − 9 | 6 | 44 | − 59 | − 26 | 64 | − 90 | 49 |
| *3* | −300 | −341 | −150 | − 85 | −107 | − 71 | − 64 | − 7 | 112 |
| *4* | | | | | | | | | |

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

[2] Unadjusted 1975 price stock levels.

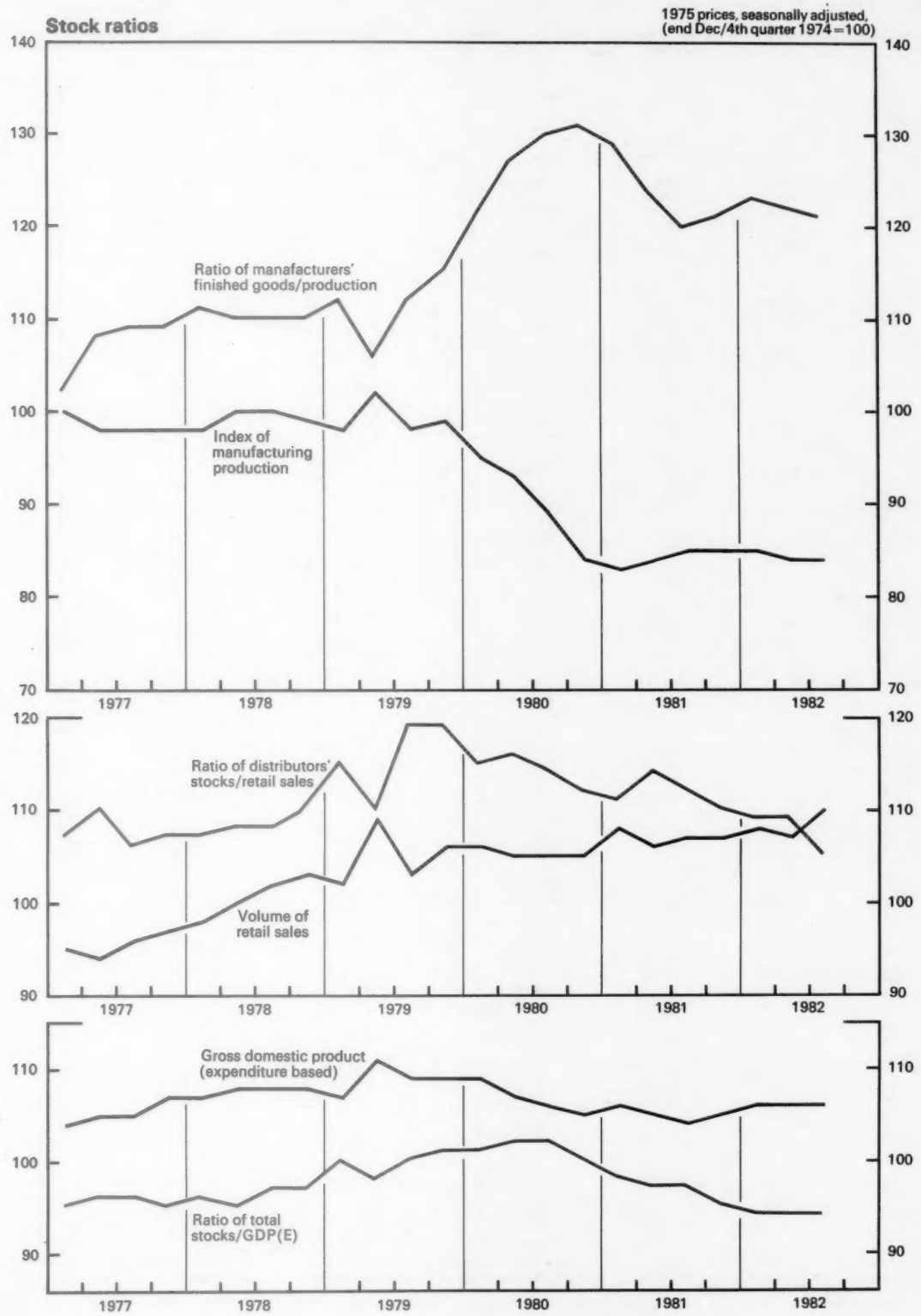
## Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (E), industrial production and retail sales, 4th quarter 1974=100

| | Total stocks to gross domestic product (expenditure based) | Manufacturers' stocks to manufacturing production | | | | Distributors'[1] stocks to retail sales |
|---|---|---|---|---|---|---|
| | | Total stocks | Materials and fuel | Work in progress | Finished goods | |
| 1977 *3* | 96 | 101 | 93 | 105 | 109 | 106 |
| *4* | 95 | 101 | 93 | 106 | 109 | 107 |
| 1978 *1* | 96 | 102 | 93 | 107 | 111 | 107 |
| *2* | 95 | 101 | 91 | 105 | 110 | 108 |
| *3* | 97 | 100 | 91 | 104 | 110 | 108 |
| *4* | 97 | 102 | 93 | 108 | 110 | 110 |
| 1979 *1* | 100 | 103 | 93 | 108 | 112 | 115 |
| *2* | 98 | 99 | 90 | 104 | 106 | 110 |
| *3* | 100 | 104 | 94 | 109 | 112 | 119 |
| *4* | 101 | 103 | 92 | 106 | 115 | 119 |
| 1980 *1* | 101 | 106 | 94 | 110 | 121 | 115 |
| *2* | 102 | 109 | 95 | 112 | 127 | 116 |
| *3* | 102 | 112 | 97 | 116 | 130 | 114 |
| *4* | 100 | 114 | 98 | 120 | 131 | 112 |
| 1981 *1* | 98 | 113 | 97 | 120 | 129 | 111 |
| *2* | 97 | 110 | 94 | 118 | 124 | 114 |
| *3* | 98 | 107 | 91 | 116 | 120 | 112 |
| *4* | 95 | 106 | 88 | 117 | 121 | 110 |
| 1982 *1* | 94 | 107 | 89 | 116 | 123 | 109 |
| *2* | 94 | 107 | 90 | 117 | 122 | 109 |
| *3* | 94 | 106 | 88 | 117 | 121 | 105 |
| *4* | | | | | | |

[1] Stocks held by retailers and general wholesale distributors. Stocks held by dealers in coal, builders' materials, industrial materials etc. are not included.

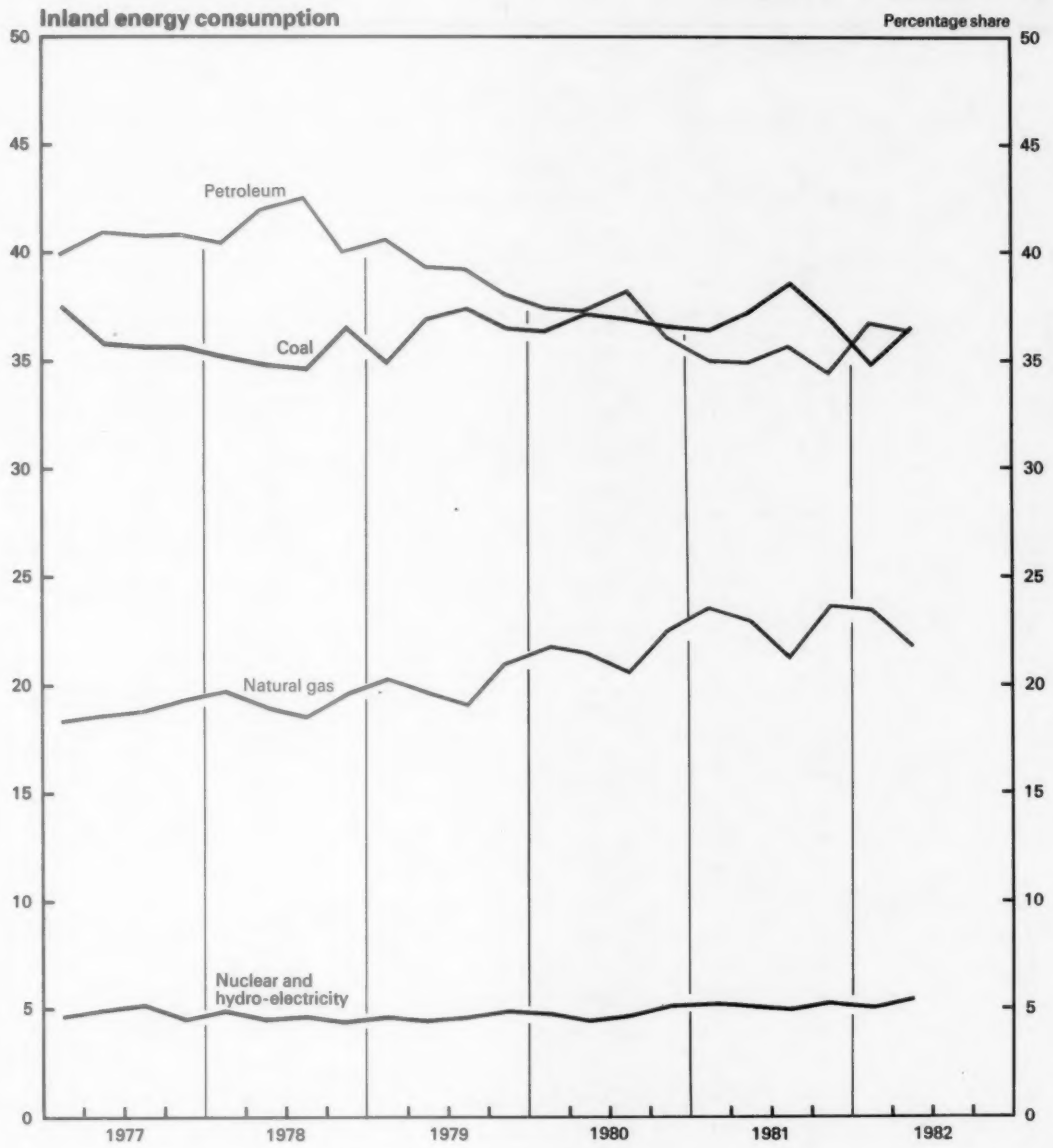

Stock ratios
1975 prices, seasonally adjusted,
(end Dec/4th quarter 1974 = 100)
Ratio of manafacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
1977
1978
1979
1980
1981
1982

## Inland energy consumption

**Annual rates, seasonally adjusted and temperature corrected**

| | | Primary fuel input | | | | | | Public supply |
|---|---|---|---|---|---|---|---|---|
| | | Million tonnes of coal or coal equivalent | | | | | | Thousand million kilowatt hours |
| | | Total | Coal[1] | Petroleum[2] | Natural gas[3] | Nuclear electricity[4] | Hydro electricity[4] | Electricity available (GB)[5] |
| 1971 | | 332·9 | 140·0 | 152·4 | 28·8 | 9·9 | 1·8 | 215·9 |
| 1972 | | 337·4 | 121·8 | 162·2 | 41·0 | 10·6 | 1·8 | 224·1 |
| 1973 | | 354·2 | 133·2 | 164·5 | 44·4 | 10·1 | 2·0 | 241·0 |
| 1974 | | 337·9 | 117·7 | 153·1 | 52·9 | 12·1 | 2·1 | 235·5 |
| 1975 | | 326·9 | 120·6 | 137·1 | 56·3 | 10·9 | 2·0 | 234·2 |
| 1976 | | 331·5 | 123·0 | 134·2 | 59·5 | 12·9 | 1·9 | 236·7 |
| 1977 | | 338·2 | 122·4 | 136·8 | 62·7 | 14·3 | 2·0 | 240·2 |
| 1978 | | 339·1 | 119·4 | 139·2 | 65·0 | 13·4 | 2·1 | 246·3 |
| 1979 | | 349·3 | 127·2 | 137·0 | 69·1 | 13·8 | 2·2 | 255·0 |
| 1980 | | 327·2 | 120·1 | 121·2 | 70·5 | 13·4 | 2·0 | 245·9 |
| 1981 | | 315·4 | 117·7 | 110·1 | 71·6 | 13·7 | 2·3 | 239·2 |
| 1976 | *3* | 330·9 | 120·5 | 136·7 | 57·6 | 14·6 | 1·5 | 244·3 |
| | *4* | 328·0 | 125·2 | 126·8 | 61·0 | 13·4 | 1·6 | 231·4 |
| 1977 | *1* | 336·9 | 126·3 | 134·0 | 61·1 | 13·9 | 1·6 | 237·9 |
| | *2* | 337·7 | 121·1 | 137·7 | 62·0 | 14·5 | 2·4 | 242·9 |
| | *3* | 340·5 | 121·6 | 138·1 | 63·4 | 15·7 | 1·7 | 248·3 |
| | *4* | 337·5 | 120·4 | 137·3 | 64·3 | 13·1 | 2·4 | 231·9 |
| 1978 | *1* | 331·4 | 116·7 | 133·4 | 64·9 | 14·6 | 1·8 | 237·3 |
| | *2* | 341·2 | 118·7 | 142·9 | 64·2 | 13·3 | 2·1 | 248·1 |
| | *3* | 338·3 | 117·2 | 143·6 | 62·4 | 13·2 | 1·9 | 253·9 |
| | *4* | 343·4 | 125·2 | 136·7 | 66·5 | 12·5 | 2·5 | 245·7 |
| 1979 | *1* | 349·1 | 121·8 | 141·0 | 70·3 | 14·5 | 1·5 | 252·6 |
| | *2* | 355·8 | 131·3 | 139·4 | 69·4 | 13·3 | 2·4 | 257·6 |
| | *3* | 352·1 | 131·8 | 137·8 | 66·6 | 13·3 | 2·6 | 257·7 |
| | *4* | 342·1 | 124·8 | 129·8 | 71·1 | 14·0 | 2·4 | 252·0 |
| 1980 | *1* | 333·9 | 121·5 | 124·4 | 72·4 | 13·8 | 1·8 | 242·5 |
| | *2* | 328·3 | 122·1 | 122·0 | 69·9 | 12·9 | 1·4 | 248·1 |
| | *3* | 323·7 | 119·3 | 123·1 | 66·1 | 12·5 | 2·7 | 249·0 |
| | *4* | 321·2 | 117·6 | 115·4 | 71·7 | 14·2 | 2·3 | 244·1 |
| 1981 | *1* | 317·9 | 115·9 | 111·1 | 74·4 | 13·5 | 3·0 | 235·7 |
| | *2* | 311·7 | 116·1 | 108·5 | 71·1 | 14·1 | 1·9 | 238·9 |
| | *3* | 319·2 | 123·0 | 113·5 | 67·5 | 13·4 | 1·8 | 242·0 |
| | *4* | 312·9 | 115·6 | 107·4 | 73·6 | 13·8 | 2·5 | 240·3 |
| 1982 | *1* | 314·0 | 110·2 | 114·7 | 73·1 | 13·7 | 2·3 | 238·3 |
| | *2* | 304·7 | 111·6 | 110·2 | 66·2 | 14·3 | 2·4 | 235·4 |
| | *3*[6] | 317·0 | 110·7 | 114·1 | 71·1 | 19·1 | 2·0 | 243·5 |
| | | *Percentage change, quarter on corresponding quarter of previous year* | | | | | | |
| 1978 | *1* | *− 1·6* | *− 7·6* | *− 0·5* | *+ 6·2* | *+ 5·0* | *+12·5* | *− 0·2* |
| | *2* | *+ 1·0* | *− 2·0* | *+ 3·8* | *+ 3·6* | *− 8·3* | *−12·5* | *+ 2·1* |
| | *3* | *− 0·7* | *− 3·6* | *+ 4·0* | *− 1·6* | *−15·9* | *+11·8* | *+ 2·3* |
| | *4* | *+ 1·7* | *+ 4·0* | *− 0·4* | *+ 3·4* | *− 4·6* | *+ 4·2* | *+ 6·0* |
| 1979 | *1* | *+ 5·3* | *+ 4·4* | *+ 5·7* | *+ 8·3* | *− 0·7* | *−16·7* | *+ 6·4* |
| | *2* | *+ 4·3* | *+10·6* | *− 2·4* | *+ 8·1* | *—* | *+14·3* | *+ 3·8* |
| | *3* | *+ 4·1* | *+12·5* | *− 4·0* | *+ 6·7* | *+ 0·8* | *+36·8* | *+ 1·5* |
| | *4* | *− 0·4* | *− 0·3* | *− 5·0* | *+ 6·9* | *+12·0* | *− 4·0* | *+ 2·6* |
| 1980 | *1* | *− 4·4* | *− 0·2* | *−11·8* | *+ 3·0* | *− 4·8* | *+20·0* | *− 4·0* |
| | *2* | *− 7·7* | *− 7·0* | *−12·5* | *+ 0·7* | *− 3·0* | *−41·7* | *− 3·7* |
| | *3* | *− 8·1* | *− 9·5* | *−10·7* | *− 0·8* | *− 6·0* | *+ 3·8* | *− 3·4* |
| | *4* | *− 6·1* | *− 5·8* | *−11·1* | *+ 0·8* | *+ 1·4* | *− 4·2* | *− 3·1* |
| 1981 | *1* | *− 4·8* | *− 4·6* | *−10·7* | *+ 2·8* | *− 2·2* | *+66·7* | *− 2·8* |
| | *2* | *− 5·1* | *− 4·9* | *−11·1* | *+ 1·7* | *+ 9·3* | *+35·7* | *− 3·7* |
| | *3* | *− 1·4* | *+ 3·1* | *− 7·8* | *+ 2·1* | *+ 7·6* | *−33·3* | *− 2·8* |
| | *4* | *− 2·6* | *− 1·7* | *− 6·9* | *+ 2·6* | *− 2·8* | *+ 8·7* | *− 1·6* |
| 1982 | *1* | *− 1·2* | *− 4·9* | *+ 3·2* | *− 1·7* | *+ 1·5* | *−23·3* | *+ 1·1* |
| | *2* | *− 2·2* | *− 3·9* | *+ 1·6* | *− 6·9* | *+ 1·4* | *+26·3* | *− 1·5* |
| | *3* | *− 0·7* | *−10·0* | *+ 0·5* | *+ 5·3* | *+42·5* | *+11·1* | *+ 0·6* |

[1] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[2] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[3] Excluding gas flared or re-injected.
[4] Nuclear and hydro electricity are not temperature corrected.
[5] The inclusion of Northern Ireland would add about 2% to the total.
[6] Provisional.

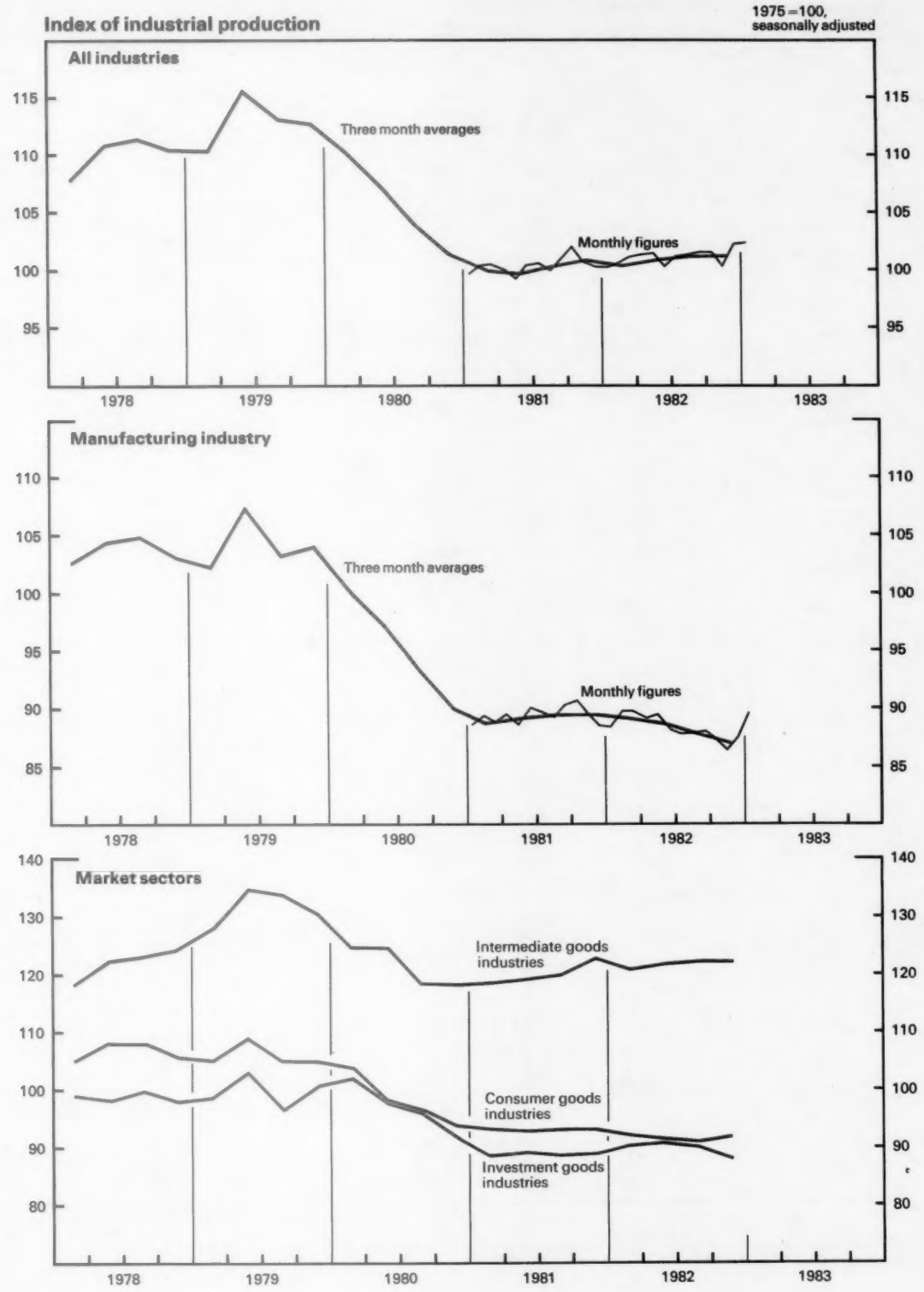

Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and
hydro-electricity
1977
1978
1979
1980
1981
1982

## Index of industrial production

1975 =100, seasonally adjusted

| | All industries covered § | All industries other than MLH 104[2] | By industry: Mining and quarrying | By industry: Manufacturing § | By industry: Construction[3] | By industry: Gas, electricity and water | By market sector[1]: Consumer goods industries | By market sector[1]: Investment goods industries | By market sector[1]: Intermediate goods industries |
|---|---|---|---|---|---|---|---|---|---|
| *1975 weights* | *1,000* | *999·7* | *41* | *697* | *182* | *80* | *243* | *218* | *349* |
| 1973 | 109·4 | 109·2 | 110·3 | 108·4 | 117·8 | 98·6 | 107·9 | 99·0 | 112·6 |
| 1974 | 105·1 | 105·1 | 89·7 | 106·6 | 105·6 | 98·5 | 106·0 | 102·1 | 106·0 |
| 1975 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 |
| 1976 | 102·1 | 100·7 | 127·9 | 101·4 | 98·6 | 102·3 | 101·7 | 96·9 | 107·2 |
| 1977 | 106·1 | 101·9 | 193·5 | 103·0 | 98·2 | 106·4 | 104·6 | 98·3 | 116·0 |
| 1978 | 110·3 | 104·2 | 241·1 | 104·0 | 104·9 | 109·7 | 107·0 | 99·1 | 122·4 |
| 1979 | 113·0 | 104·2 | 307·3 | 104·3 | 101·3 | 116·1 | 106·4 | 100·1 | 132·0 |
| 1980 | 105·8 | 96·8 | 312·9 | 95·4 | 95·9 | 113·0 | 98·4 | 97·4 | 121·7 |
| 1981 | 100·4 | 90·4 | 332·4 | 89·4 | 85·0 | 112·5 | 93·4 | 89·1† | 120·4 |
| 1982 | 101·1 | 89·8 | 363·3 | 88·3 | 86·3 | 111·9 | 91·9 | 90·3 | 122·1 |
| 1979 *1* | 110·5 | 102·3 | 289·9 | 102·4 | 96·9 | 119·7 | 105·7 | 99·0 | 128 2 |
| *2* | 115·8 | 106·9 | 309·9 | 107·6 | 102·9 | 117·0 | 109·4 | 103·6 | 134·8 |
| *3* | 113·1 | 103·8 | 321·4 | 103·2 | 102·9 | 115·3 | 105·3 | 96·9 | 134·0 |
| *4* | 112·8 | 104·0 | 308·0 | 104·1 | 102·4 | 112·3 | 105·2 | 100·9 | 131·0 |
| 1980 *1* | 110·4 | 101·3 | 317·8 | 100·5 | 100·9 | 112·8 | 104·2 | 102·6 | 124·9 |
| *2* | 107·4 | 98·6 | 309·1 | 97·5 | 97·8 | 112·4 | 98·4 | 98·1 | 124·8 |
| *3* | 104·0 | 95·3 | 302·7 | 93·7 | 94·6 | 113·2 | 96·9 | 96·5 | 118·6 |
| *4* | 101·5 | 92·1 | 321·9 | 90·1 | 90·2 | 113·7 | 94·1 | 92·2 | 118·4 |
| 1981 *1* | 100·2 | 90·3 | 330·7 | 88·9† | 87·3 | 109 2 | 93·5 | 88·8 | 118·7 |
| *2* | 99·9 | 90·2 | 327·3 | 89·3 | 83·5 | 113·3 | 93·3 | 89·5† | 119·7 |
| *3* | 100·5 | 90·7 | 327·4 | 89·7 | 86·1 | 111·1 | 93·5 | 89·0 | 120·1 |
| *4* | 101·0 | 90·5 | 344·4 | 89·6 | 83·1 | 116·2 | 93·4† | 89·2 | 123·0† |
| 1982 *1* | 100·7 | 90·2 | 344·4 | 89·3 | 84·3 | 111·9 | 92·4 | 90·7 | 121·2 |
| *2* | 101·1 | 89·8 | 362·1† | 88·9 | 84·8 | 110·1 | 91·9 | 91·4 | 122·1 |
| *3* | 101·4† | 90·0† | 367·5 | 88·0 | 87·4† | 113·7 | 91·3 | 90·3 | 122·7 |
| *4* | 101 4 | 89·3 | 379·2 | 87·2 | 88·5 | 112·0 | 92·2 | 88·6 | 122·5 |
| 1980 *A* | 107·7 | 99·1 | 301 | 98·6 | .. | 110 | 99 | 99 | 124 |
| *M* | 107·4 | 98·3 | 313 | 97·3 | .. | 112 | 97 | 98 | 125 |
| *J* | 107·3 | 98·2 | 314 | 96·7 | .. | 115 | 98 | 97 | 125 |
| *J* | 106·1 | 97·2 | 310 | 95·7 | .. | 119 | 99 | 98 | 123 |
| *A* | 103·5 | 94·9 | 300 | 93·3 | .. | 111 | 97 | 97 | 117 |
| *S* | 102·3 | 93·8 | 298 | 92·0 | .. | 109 | 95 | 95 | 116 |
| *O* | 101·6 | 92·7 | 310 | 90·6 | .. | 117 | 95 | 93 | 118 |
| *N* | 101·5 | 91·9 | 325 | 89·9 | .. | 113 | 94 | 92 | 119 |
| *D* | 101·4 | 91·6 | 331 | 89·6 | .. | 111 | 94 | 91 | 119 |
| 1981 *J* | 99·8 | 90·1 | 325 | 88·7 | .. | 108 | 93 | 89 | 117 |
| *F* | 100·3 | 90·4 | 329 | 89·3 | .. | 109 | 94 | 89 | 119 |
| *M* | 100·4 | 90·3 | 337 | 88·8 | .. | 110 | 93 | 88 | 120 |
| *A* | 100·1 | 90·0 | 337 | 89·3 | .. | 111 | 94 | 90 | 120 |
| *M* | 99·3 | 89·8 | 323 | 88·5 | .. | 115 | 92 | 89 | 119 |
| *J* | 100·4 | 90·8 | 322 | 90·1 | .. | 114 | 94 | 90 | 121 |
| *J* | 100·5 | 91·0 | 321 | 89·7 | .. | 115 | 94 | 89 | 120 |
| *A* | 100·0 | 90·3 | 326 | 89·2 | .. | 110 | 93 | 89 | 119 |
| *S* | 101·0 | 90·9 | 335 | 90·2 | .. | 108 | 93 | 89 | 121 |
| *O* | 102·0 | 91·5 | 346 | 90·7 | .. | 119 | 94 | 89 | 125 |
| *N* | 100·8 | 90·2 | 347 | 89·7 | .. | 112 | 93 | 89 | 123 |
| *D* | 100·2 | 89·9 | 340 | 88·5 | .. | 118 | 93 | 89 | 121 |
| 1982 *J* | 100·2 | 89·8 | 343 | 88·4 | .. | 115 | 91 | 90 | 121 |
| *F* | 100·7 | 90·4 | 342 | 89·7 | .. | 110 | 93 | 91 | 121 |
| *M* | 101·1 | 90·5 | 348 | 89·8 | .. | 111 | 93 | 92 | 122 |
| *A* | 101·3 | 90·0 | 364 | 89·1 | .. | 110 | 92 | 91 | 123 |
| *M* | 101·5 | 90·3 | 364 | 89·5 | .. | 110 | 93 | 91 | 123 |
| *J* | 100·3 | 89·1 | 358 | 88·1 | .. | 110 | 91 | 91 | 121 |
| *J* | 101·2 | 89·9 | 365 | 87·9 | .. | 113 | 91 | 90 | 123 |
| *A* | 101·3 | 90·2 | 363 | 87·9 | .. | 115 | 91 | 90 | 122 |
| *S* | 101·6 | 89·9 | 375 | 88·0 | .. | 112 | 92 | 90 | 123 |
| *O* | 101·6 | 89·5 | 378 | 87·4 | .. | 113 | 93 | 88 | 123 |
| *N* | 100·3 | 88·5 | 371 | 86·6 | .. | 108 | 91 | 89 | 120 |
| *D* | 102·2 | 89·9 | 388 | 87·5 | | 115 | 93 | 89 | 124 |
| 1983 *J* | 102·4 | 90·9 | 369 | 89·8 | | 104 | 94 | 91 | 123 |

[1] All industries other than construction.
[2] MLH 104: extraction of mineral oil and natural gas.
[3] For an index of construction output for Great Britain, see page 30.


Index of industrial production
1975 = 100, seasonally adjusted
All industries
Three month averages
Monthly figures
115
110
105
100
95
1978
1979
1980
1981
1982
1983
Manufacturing industry
Three month averages
Monthly figures
110
105
100
95
90
85
Market sectors
Intermediate goods industries
Consumer goods industries
Investment goods industries
140
130
120
110
100
90
80

## Index numbers of output at constant factor cost

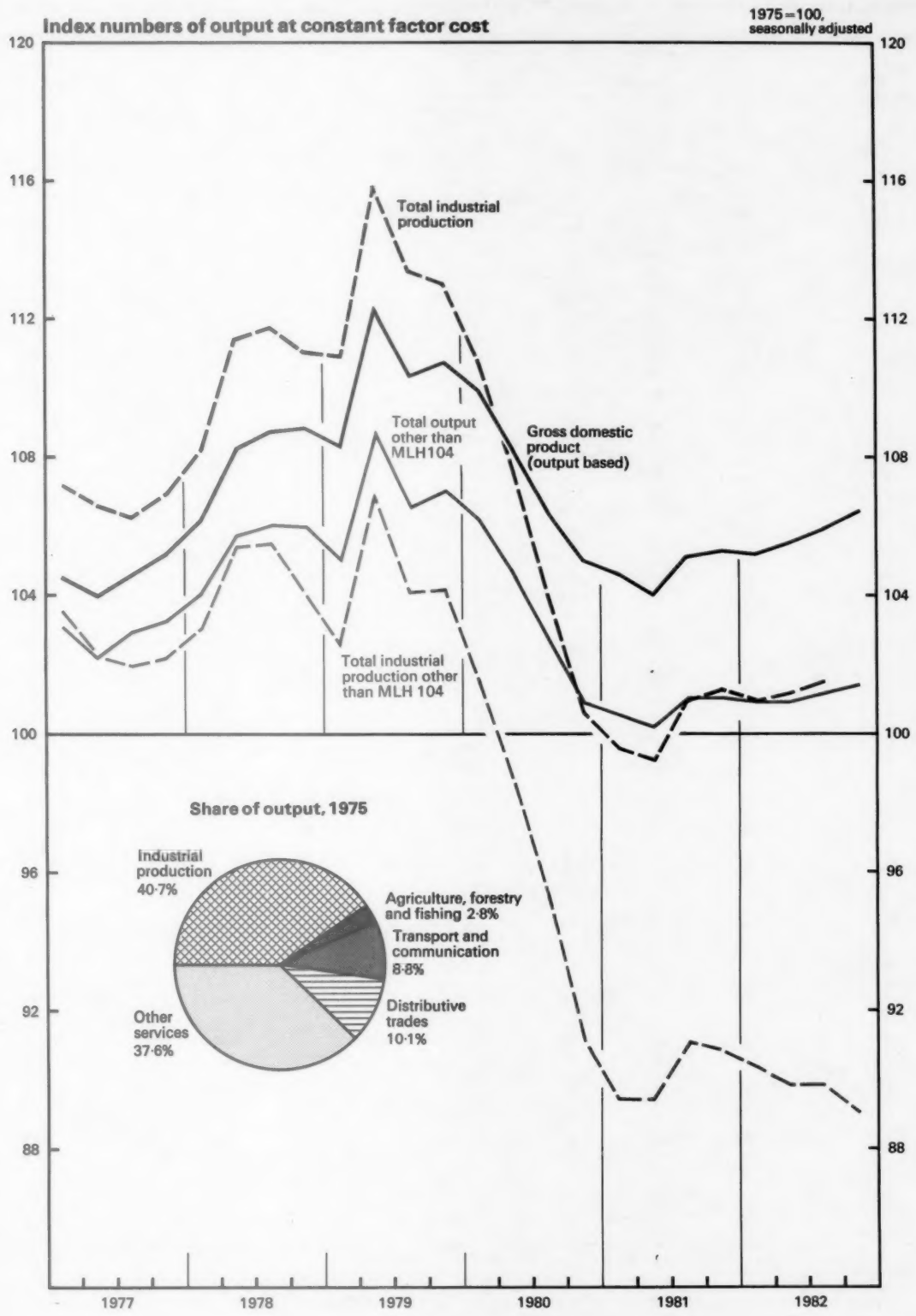
**Seasonally adjusted**

**1975 = 100**

| | | Gross domestic product[1] § | Total output other than MLH 104[1,2] | Agriculture, forestry and fishing | Industrial production: Total[1] § | Industrial production: Total other than MLH 104[1,2] | Industrial production: Manufacturing[1] | Transport and communication | Distributive trades | Other |
|---|---|---|---|---|---|---|---|---|---|---|
| *1975 weights* | | *1,000* | *999·9* | *28* | *407* | *406·6* | *283* | *88* | *101* | *376* |
| 1971 | | 94.9 | 94.9 | 100.7 | 99.6 | 99.5 | 97.3 | 89.2 | 96.1 | 90.6 |
| 1972 | | 97.9 | 97.8 | 104.0 | 101.6 | 101.4 | 99.6 | 93.5 | 100.9 | 93.8 |
| 1973 | | 103.6 | 103.5 | 107.3 | 109.7 | 109.5 | 108.8 | 100.5 | 106.8 | 96.6 |
| 1974 | | 102.0 | 102.0 | 108.7 | 105.7 | 105.7 | 107.5 | 100.7 | 103.3 | 97.3 |
| 1975 | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1976 | | 101.8 | 101.3 | 92.1 | 102.5 | 101.1 | 102.0 | 99.1 | 100.8 | 102.8 |
| 1977 | | 104.6 | 102.9 | 103.9 | 106.8 | 102.6 | 103.9 | 102.0 | 99.5 | 104.2 |
| 1978 | | 108.0† | 105.5† | 111.7† | 110.6 | 104.5 | 104.5 | 104.6 | 104.3 | 106.7† |
| 1979 | | 110.4 | 106.8 | 111.5 | 113.2 | 104.4 | 104.6 | 109.8 | 108.1 | 108.0 |
| 1980 | | 107.4 | 103.7 | 120.9 | 105.6 | 96.6 | 95.1 | 108.7† | 104.6 | 108.7 |
| 1981 | | 104.8 | 100.8 | 121.9 | 100.1 | 90.1† | 89.0 | 108.1 | 104.1† | 108.1 |
| 1982 | | 105.8 | 101.2 | 132.3 | 101.1 | 89.8 | 88.3 | 108.3 | 106.4 | 108.1 |
| 1977 | *1* | 104.5 | 103.1 | 100 | 107.2 | 103.6 | 105.8 | 103 | 100 | 104 |
| | *2* | 104.0 | 102.2 | 103 | 106.6 | 102.3 | 103.7 | 100 | 98 | 104 |
| | *3* | 104.6 | 102.9 | 106 | 106.3 | 102.0 | 103.0 | 102 | 100 | 105 |
| | *4* | 105.2 | 103.3 | 107 | 106.9 | 102.3 | 103.2 | 102 | 101 | 105 |
| 1978 | *1* | 106.2 | 104.1 | 109† | 108.2 | 103.1 | 103.7 | 103 | 101 | 106 |
| | *2* | 108.2 | 105.7 | 112 | 111.4 | 105.4 | 105.1 | 105 | 104 | 106 |
| | *3* | 108.7† | 106.1† | 113 | 111.7 | 105.5 | 105.3 | 104 | 106 | 107† |
| | *4* | 108.8 | 106.0 | 112 | 111.0 | 104.0 | 104.0 | 107 | 106 | 107 |
| 1979 | *1* | 108.3 | 105.0 | 111 | 110.8 | 102.6 | 102.8 | 104 | 105 | 107 |
| | *2* | 112.3 | 108.7 | 110 | 115.9 | 106.9 | 107.7 | 112 | 113 | 109 |
| | *3* | 110.3 | 106.5 | 111 | 113.3 | 104.0 | 103.6 | 112 | 106 | 107 |
| | *4* | 110.7 | 107.1 | 114 | 112.9 | 104.1 | 104.3 | 111 | 108 | 109 |
| 1980 | *1* | 109.9 | 106.2 | 118 | 110.6† | 101.5 | 100.7† | 111† | 107 | 109 |
| | *2* | 108.2 | 104.6 | 121 | 107.5 | 98.6 | 97.6 | 109 | 105 | 109 |
| | *3* | 106.4 | 102.9 | 122 | 103.7 | 95.1 | 93.3 | 108 | 104 | 108 |
| | *4* | 105.0 | 101.2 | 122 | 100.5 | 91.1 | 88.7 | 107 | 103 | 109 |
| 1981 | *1* | 104.6 | 100.6 | 120 | 99.4 | 89.5† | 87.9 | 107 | 105 | 108 |
| | *2* | 104.3 | 100.3 | 120 | 99.3 | 89.5 | 88.4 | 107 | 103 | 108 |
| | *3* | 105.1 | 101.1 | 122 | 100.6 | 90.8 | 89.8 | 109 | 104 | 108 |
| | *4* | 105.3 | 101.1 | 125 | 101.1 | 90.6 | 89.8 | 109 | 104 | 108 |
| 1982 | *1* | 105.2 | 101.0 | 130 | 100.8 | 90.3 | 89.5 | 107 | 105 | 108 |
| | *2* | 105.5 | 101.0 | 133 | 101.2 | 89.9 | 89.0 | 109 | 105 | 108 |
| | *3* | 105.9 | 101.3 | 134 | 101.3 | 89.9 | 87.8 | 107 | 107 | 108 |
| | *4* | 106.4 | 101.5 | 132 | 101.2 | 89.1 | 86.9 | 110 | 108 | 109 |
| | | *Percentage change, quarter on corresponding quarter of previous year* | | | | | | | | |
| 1979 | *1* | *+2.0* | *+0.8* | *+1* | *+ 2.3* | *− 0.5* | *− 0.8* | *+1* | *+4* | *+1* |
| | *2* | *+3.9* | *+2.8* | *−2* | *+ 4.0* | *+ 1.5* | *+ 2.5* | *+7* | *+9* | *+2* |
| | *3* | *+1.4* | *+0.3* | *−2* | *+ 1.4* | *− 1.4* | *− 1.6* | *+8* | *+1* | *+1* |
| | *4* | *+1.7* | *+1.1* | *+2* | *+ 1.7* | *+ 0.2* | *+ 0.3* | *+4* | *+2* | *+1* |
| 1980 | *1* | *+1.4* | *+1.1* | *+7* | *− 0.1* | *− 1.0* | *− 2.0* | *+6* | *+1* | *+2* |
| | *2* | *−3.7* | *−3.8* | *+10* | *− 7.2* | *− 7.8* | *− 9.4* | *−2* | *−7* | *—* |
| | *3* | *−3.5* | *−3.4* | *+10* | *− 8.5* | *− 8.6* | *− 9.9* | *−4* | *−3* | *+1* |
| | *4* | *−5.1* | *−5.5* | *+6* | *−11.0* | *−12.5* | *−15.0* | *−4* | *−5* | *—* |
| 1981 | *1* | *−4.8* | *−5.3* | *+2* | *−10.1* | *−11.8* | *−12.8* | *−3* | *−2* | *−1* |
| | *2* | *−3.6* | *−4.1* | *−1* | *− 7.7* | *− 9.2* | *− 9.5* | *−2* | *−1* | *−1* |
| | *3* | *−1.2* | *−1.7* | *—* | *− 3.0* | *− 4.5* | *− 3.8* | *—* | *—* | *—* |
| | *4* | *+0.3* | *−0.1* | *+3* | *+ 0.6* | *− 0.5* | *+ 1.3* | *+2* | *+1* | *−1* |
| 1982 | *1* | *+0.6* | *+0.4* | *+8* | *+ 1.4* | *+ 0.9* | *+ 1.8* | *—* | *+1* | *−1* |
| | *2* | *+1.2* | *+0.6* | *+11* | *+ 1.9* | *+ 0.4* | *+ 0.8* | *+1* | *+2* | *—* |
| | *3* | *+0.8* | *+0.2* | *+10* | *+ 0.7* | *− 1.0* | *− 2.2* | *−1* | *+3* | *—* |
| | *4* | *+1.0* | *+0.4* | *+ 6* | *+ 0.1* | *− 1.7* | *− 3.2* | *+1* | *+4* | *+1* |

[1] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers in this table allow for this by adjusting for changes in the level of stocks in these sectors. Differences between the data in this table and those on page 26 arise from this adjustment and also because page 26 may be based on later information.

[2] MLH 104: Extraction of mineral oil and natural gas.


Index numbers of output at constant factor cost
1975 = 100, seasonally adjusted
120
116
112
108
104
100
96
92
88
Total industrial production
Total output other than MLH104
Gross domestic product (output based)
Total industrial production other than MLH 104
Share of output, 1975
Industrial production 40·7%
Agriculture, forestry and fishing 2·8%
Transport and communication 8·8%
Distributive trades 10·1%
Other services 37·6%
1977
1978
1979
1980
1981
1982

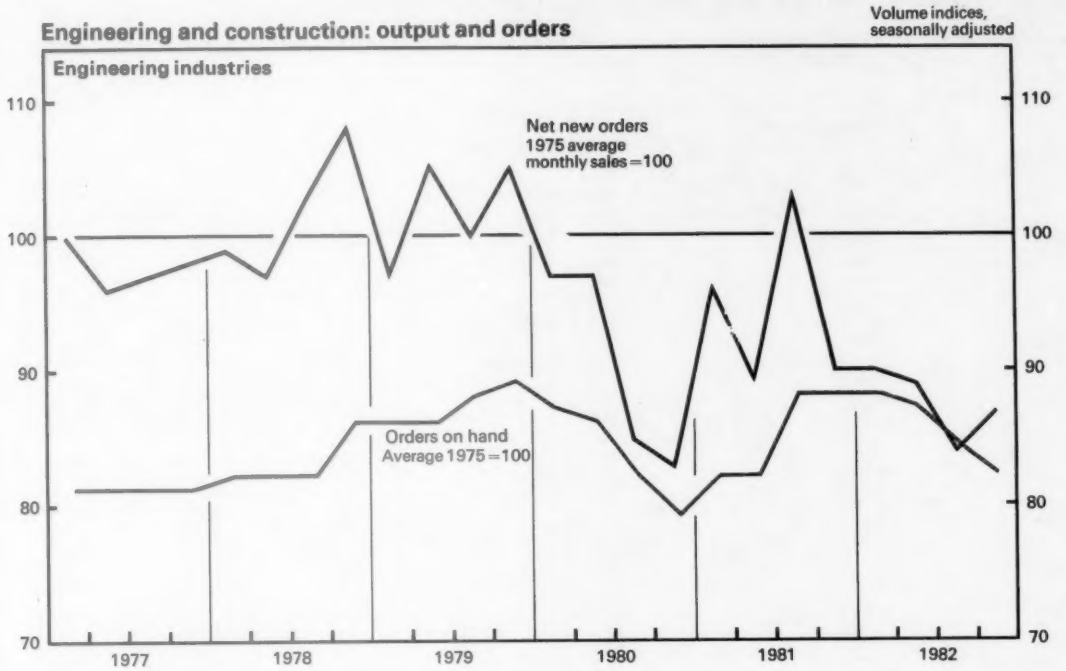
## Engineering and construction: output and orders

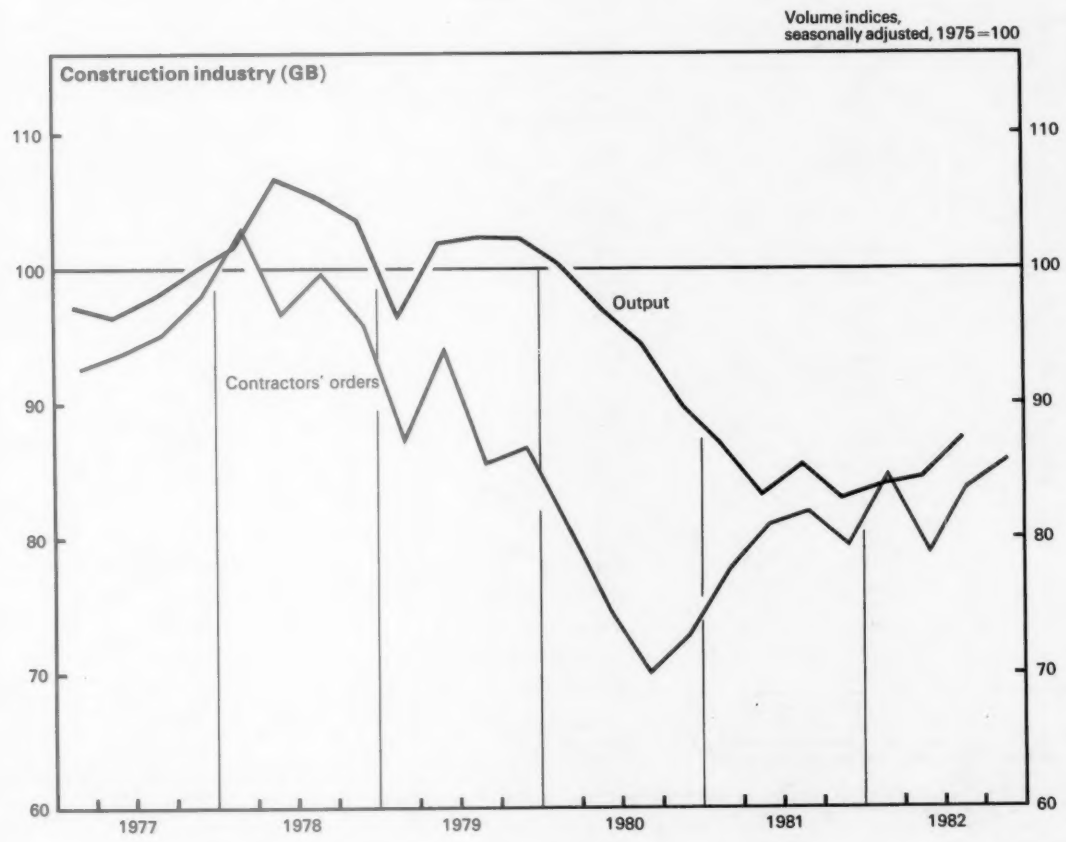
**Seasonally adjusted volume index numbers**

| | | Engineering industries[1] | | | | | | | Construction (GB) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | | | Home market | | Export | | | |
| | | Sales | Orders on hand end of period | New orders[2] | Orders on hand end of period | New orders[2] | Orders on hand end of period | New orders[2] | Output[3,4] | Orders received |
| | | 1975 average monthly sales =100 | Average 1975 =100 | 1975 average monthly sales =100 | Average 1975 =100 | 1975 average monthly sales =100 | Average 1975 =100 | 1975 average monthly sales =100 | 1975 =100 | 1975 =100 |
| 1974 | | 102 | 114 | 102 | 115 | 101† | 112 | 103† | 106.0 | 101.1 |
| 1975 | | 100 | 88 | 83† | 87 | 83 | 89 | 85 | 100.0 | 100.0 |
| 1976 | | 97 | 80 | 92 | 74 | 87 | 92 | 103 | 98.5 | 105.5 |
| 1977 | | 97 | 81 | 98 | 75 | 94 | 95 | 108 | 98.0 | 94.6 |
| 1978 | | 99 | 86 | 102 | 82 | 100 | 94 | 105 | 104.4 | 98.5 |
| 1979 | | 100 | 89 | 102 | 86 | 100 | 95 | 107 | 100.7 | 88.1 |
| 1980 | | 97 | 79 | 91 | 75 | 87 | 87 | 99 | 95.6 | 74.3 |
| 1981 | | 89 | 88 | 95 | 81 | 89 | 102 | 108 | 84.6 | 79.7 |
| 1982 | | 91 | 82 | 87 | 78 | 86 | 91 | 91 | 86.0[5] | 83.2[5] |
| 1978 | 3 | 100 | 82† | 103† | 76 | 99† | 95 | 110 | 105.5 | 99.2 |
| | 4 | 99 | 86 | 108 | 82† | 110 | 94† | 103† | 103.8 | 95.8 |
| 1979 | 1 | 97 | 86 | 97 | 82 | 93 | 95 | 105 | 96.4 | 87.0 |
| | 2 | 104† | 86 | 105 | 82 | 102 | 95 | 112 | 101.9 | 93.9 |
| | 3 | 97 | 88 | 100 | 85 | 101 | 94 | 99 | 102.3 | 85.2 |
| | 4 | 103 | 89 | 105 | 86 | 102 | 95 | 111 | 102.2 | 86.4 |
| 1980[6] | 1 | 102 | 87 | 97 | 84 | 95 | 93 | 102 | 100.3 | 80.5 |
| | 2 | 98 | 86 | 97 | 83 | 92 | 94 | 109 | 97.4 | 74.7 |
| | 3 | 97 | 82 | 85 | 79 | 83 | 89 | 90 | 94.5 | 69.7 |
| | 4 | 91 | 79 | 83 | 75 | 78 | 87 | 94 | 90.0 | 72.2 |
| 1981 | 1 | 88 | 82 | 96 | 79 | 94 | 90 | 103 | 87.0 | 77.4 |
| | 2 | 89 | 82 | 89 | 79 | 87 | 90 | 95 | 83.1 | 80.7 |
| | 3 | 89 | 88 | 103 | 81 | 90 | 102 | 133 | 85.5 | 81.7 |
| | 4 | 89 | 88 | 90 | 81 | 86 | 102 | 100 | 82.9 | 79.0 |
| 1982 | 1 | 90 | 88 | 90 | 81 | 85 | 102 | 99 | 84.0 | 84.3 |
| | 2 | 91 | 87 | 89 | 80 | 84 | 102 | 99 | 84.6 | 78.6 |
| | 3 | 93 | 84 | 84 | 79 | 87 | 94 | 78 | 86.9 | 83.5 |
| | 4 | 90 | 82 | 87 | 78 | 87 | 91 | 86 | 88.3[5] | 86.2[5] |
| 1980 | O | 93† | 80† | 81 | 77 | 77† | 87† | 89† | .. | 63.7 |
| | N | 92 | 79 | 79† | 75 | 82 | 87 | 96 | .. | 71.1 |
| | D | 88 | 79 | 89 | 75 | 85 | 87 | 98 | .. | 81.9 |
| 1981 | J | 88 | 79 | 92 | 75 | 90 | 87 | 97 | .. | 83.3 |
| | F | 87 | 79 | 89 | 75 | 79 | 89 | 112 | .. | 77.3 |
| | M | 88 | 82 | 108 | 79 | 112 | 90 | 100 | .. | 71.7 |
| | A | 90 | 82 | 87 | 78† | 82 | 90 | 98 | .. | 66.8 |
| | M | 87 | 81 | 83 | 78 | 83 | 89 | 85 | .. | 80.2 |
| | J | 90 | 82 | 97 | 79 | 95 | 90 | 102 | .. | 95.1 |
| | J | 89 | 84 | 97 | 80 | 96 | 90 | 101 | .. | 84.4 |
| | A | 89 | 87 | 116 | 81 | 86 | 100 | 185 | .. | 81.8 |
| | S | 88 | 88 | 95 | 81 | 88 | 102 | 112 | .. | 78.8 |
| | O | 91 | 89 | 97 | 81 | 88 | 104 | 118 | .. | 81.0 |
| | N | 90 | 88 | 87 | 81 | 82 | 104 | 99 | .. | 79.6 |
| | D | 86 | 88 | 86 | 81 | 87 | 102 | 83 | .. | 76.5 |
| 1982 | J | 91 | 88 | 90 | 81 | 87 | 102 | 98 | .. | 80.7 |
| | F | 91 | 88 | 90 | 82 | 87 | 101 | 98 | .. | 80.0 |
| | M | 88 | 88 | 88 | 81 | 83 | 102 | 102 | .. | 92.3 |
| | A | 90 | 89 | 97 | 82 | 91 | 103 | 110 | .. | 74.2 |
| | M | 94 | 89 | 94 | 82 | 90 | 103 | 103 | .. | 78.8 |
| | J | 89 | 87 | 76 | 80 | 72 | 102 | 85 | .. | 82.8 |
| | J | 92 | 86 | 82 | 79 | 83 | 99 | 82 | .. | 84.9 |
| | A | 91 | 85 | 84 | 79 | 88 | 97 | 76 | .. | 68.6 |
| | S | 95 | 84 | 85 | 79 | 89 | 94 | 76 | .. | 97.0 |
| | O | 92 | 83 | 92 | 79 | 94 | 93 | 87 | .. | 77.1† |
| | N | 90 | 83 | 83 | 78 | 81 | 92 | 87 | .. | 85.1[5] |
| | D | 87 | 82 | 86 | 78 | 87 | 91 | 85 | .. | 96.4[5] |

[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.

## Engineering and construction: output and orders

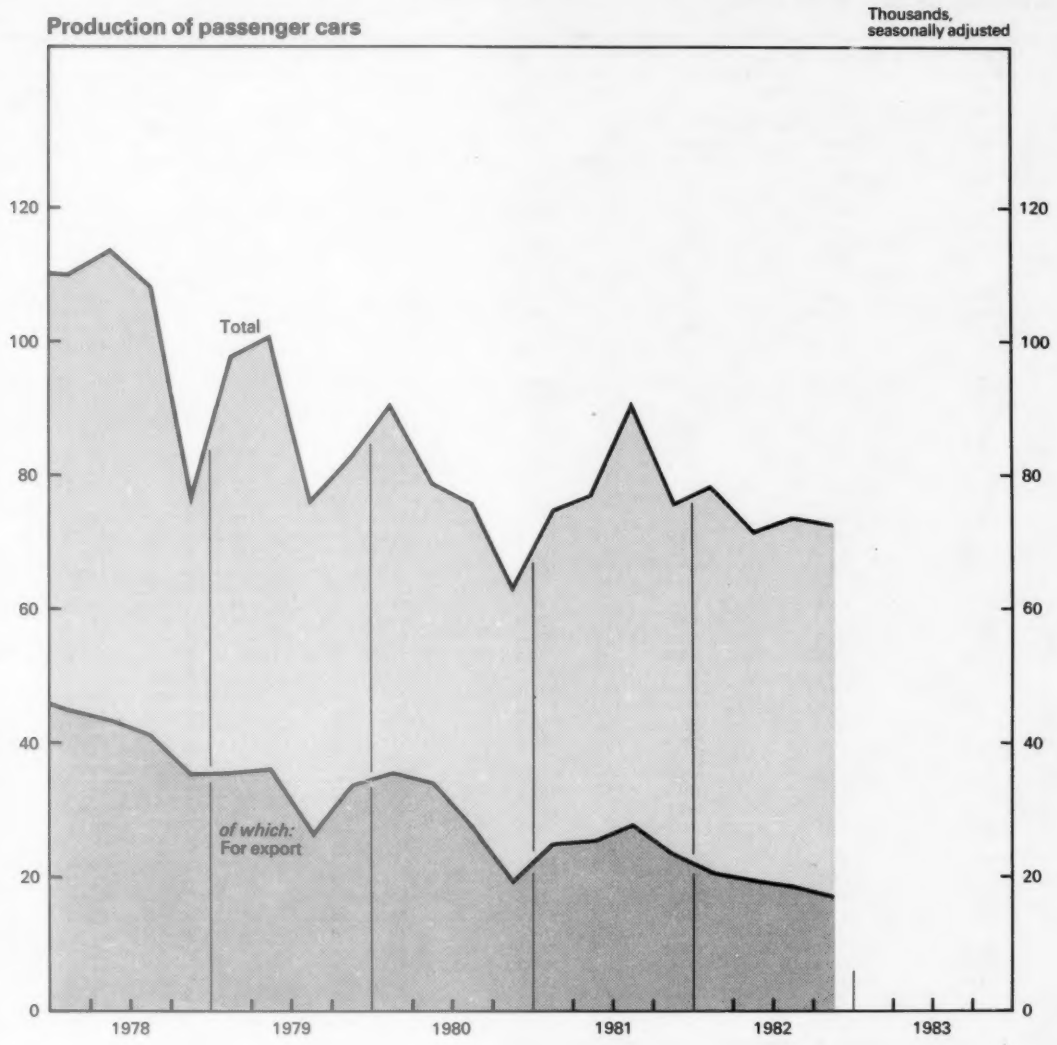


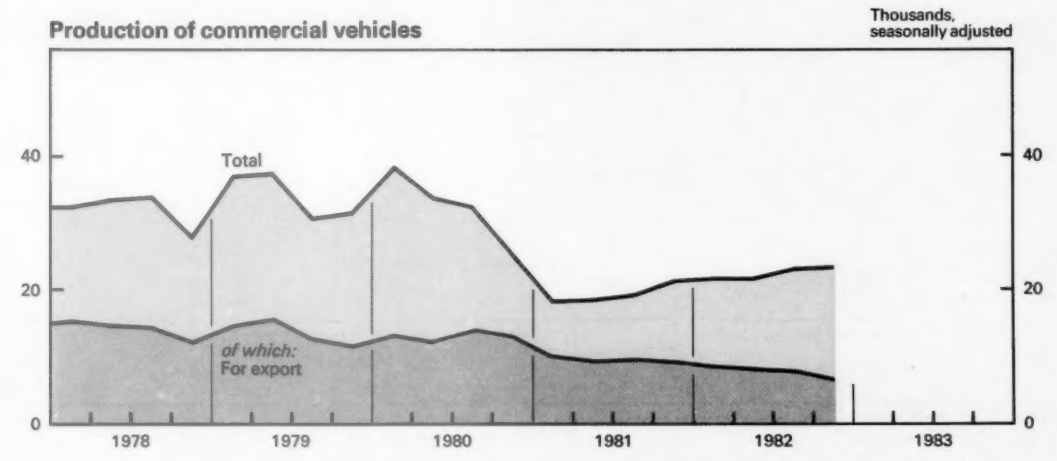



## Motor vehicle production and steel production and consumption

| | Seasonally adjusted | | | | | | |
|---|---|---|---|---|---|---|---|
| | Thousands[1] | | | | | Thousand tonnes | |
| | Passenger cars[5] | | | Commercial vehicles[5] | | | |
| | Total | *of which* Units previously shown under assembly[2] | Production for export | Total | *of which:* For export | Crude steel production[3, 4] | Finished steel consumption[3] |
| 1972 | 160·1 | .. | 51·1 | 34·0 | 11·3 | 25,351 | 16,750 |
| 1973 | 145·6 | .. | 50·4 | 34·7 | 13·3 | 26,684 | 18,445 |
| 1974 | 127·8 | .. | 49·7 | 33·5 | 14·2 | 22,362 | 17,548 |
| 1975 | 105·6 | .. | 44·3 | 31·7 | 15·5 | 19,737[8] | 15,446[8] |
| 1976 | 111·1 | .. | 47·1 | 31·0 | 15·8 | 22,236 | 15,804 |
| 1977 | 109·7 | .. | 46·9 | 33·2 | 16·4 | 20,385 | 15,300 |
| 1978 | 101·9 | .. | 41·2 | 32·0 | 14·1 | 20,237 | 15,593 |
| 1979 | 89·2 | .. | 32·7 | 34·0 | 13·5 | 21,412 | 15,231 |
| 1980 | 77·0 | .. | 29·1 | 32·4 | 13·0 | 11,387 | 12,581 |
| 1981 | 79·5 | 3 | 25·4 | 19·1 | 9·5 | 15,308[8] | 12,115 |
| 1982 | 74·0 | 1 | 18·9 | 22·4 | 7·7 | | |
| 1978 *1* | 109·9 | .. | 45·0 | 32·6 | 15·3 | 4,957 | 4,112 |
| *2* | 113·8 | .. | 43·4 | 33·7 | 14·7 | 5,278 | 4,080 |
| *3* | 108·1 | .. | 41·2 | 34·0 | 14·3 | 4,757 | 3,803 |
| *4* | 75·5 | .. | 35·2 | 27·9 | 12·0 | 5,245 | 3,571 |
| 1979 *1* | 97·9 | .. | 35·3 | 36·8 | 14·6 | 4,954 | 3,715 |
| *2* | 100·8 | .. | 36·1 | 37·3 | 15·7 | 5,720 | 3,900 |
| *3* | 75·8 | .. | 26·1 | 30·4 | 12·3 | 5,485 | 3,693 |
| *4* | 82·6 | .. | 33·5 | 31·6 | 11·5 | 5,252 | 3,918 |
| 1980 *1* | 90·9 | .. | 35·7 | 38·2 | 13·1 | 764 | 3,062 |
| *2* | 78·6 | .. | 34·0 | 33·8 | 12·1 | 4,098 | 3,447 |
| *3* | 75·8 | .. | 27·5 | 32·4 | 14·0 | 3,498 | 3,088 |
| *4* | 62·6 | .. | 19·2 | 25·3 | 12·9 | 3,027 | 2,984 |
| 1981 *1* | 74·7 | 3 | 25·0 | 18·1 | 9·9 | 3,585 | 2,908 |
| *2* | 77·0 | 4 | 25·3 | 18·3 | 9·3 | 3,892 | 2,949 |
| *3* | 90·8 | 2 | 27·9 | 19·1 | 9·6 | 3,813[6] | 3,206 |
| *4* | 75·5 | 2 | 23·3 | 21·2 | 9·4 | 4,018 | 3,068 |
| 1982 *1* | 78·3 | 1 | 20·4 | 21·6 | 8·4 | 4,030 | 3,199 |
| *2* | 71·5 | 1 | 19·5 | 21·6 | 8·1 | 3,840 | 3,196 |
| *3* | 73·8 | 1 | 18·4 | 23·1 | 7·9 | 3,054 | 2,919 |
| *4* | 72·5 | 2 | 17·1 | 23·4 | 6·4 | 2,720 | .. |
| 1981 *J* | 71·1 | 1 | 19·0 | 19·7 | 10·9 | 1,177[7] | .. |
| *F* | 68·8 | 2 | 21·7 | 17·0 | 9·0 | 1,219 | .. |
| *M* | 84·2 | 5 | 34·2 | 17·6 | 9·8 | 1,189 | .. |
| *A* | 89·4 | 5 | 30·3 | 21·0 | 10·4 | 1,470[7] | .. |
| *M* | 54·6 | 3 | 18·9 | 15·0 | 7·8 | 1,128 | .. |
| *J* | 87·1 | 5 | 26·8 | 18·9 | 9·7 | 1,294 | .. |
| *J* | 95·5 | 2 | 26·9 | 19·6 | 9·6 | 1,650[7] | .. |
| *A* | 82·4 | 2 | 23·4 | 17·3 | 9·7 | 1,013 | .. |
| *S* | 94·6 | 2 | 33·5 | 20·5 | 9·6 | 1,443[7] | |
| *O* | 85·8 | 1 | 27·0 | 20·5 | 9·3 | 1 263 | .. |
| *N* | 58·6 | 3 | 18·0 | 20·8 | 9·3 | 1,298 | .. |
| *D* | 82·1 | 2 | 25·0 | 22·3 | 9·5 | 1,457[7] | .. |
| 1982 *J* | 72·0 | 1 | 19·5 | 19·6 | 8·7 | 1,138 | .. |
| *F* | 79·6 | 2 | 21·5 | 22·3 | 8·1 | 1,310 | .. |
| *M* | 83·4 | 1 | 20·3 | 22·9 | 8·4 | 1,583[7] | .. |
| *A* | 61·4 | 2 | 19·2 | 21·4 | 8·4 | 1,201 | .. |
| *M* | 82·1 | 1 | 22·2 | 22·5 | 8·5 | 1,259 | .. |
| *J* | 71·1 | 1 | 17·0 | 20·8 | 7·5 | 1,380[7] | .. |
| *J* | 77·5 | 1 | 19·5 | 22·0 | 7·9 | 1,044 | .. |
| *A* | 77·4 | 1 | 19·3 | 21·8 | 7·5 | 909 | .. |
| *S* | 66·4 | 1 | 16·3 | 25·6 | 8·4 | 1,101[7] | .. |
| *O* | 75·0 | 1 | 18·1 | 23·3 | 6·4 | 864 | .. |
| *N* | 66·4 | 2 | 16·1 | 24·2 | 7·0 | 892 | .. |
| *D* | 76·2 | 2 | 17·2 | 22·7 | 5·8 | 964[7] | .. |
| 1983 *J* | 67·0 | 2 | 17·9 | 20·7 | 4·2 | 1,041[8] | .. |
| *F* | | | | | | 1,200 | .. |

[1] Monthly averages or standardised calendar months.
[2] From January 1981, certain models previously recorded under assembly were re-categorised under production. These are almost exclusively built for the home market. Further details are in Business Monitor PM 381.
[3] The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
[4] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[5] 53-week period; reduced to 52-week basis for comparison purposes.
[6] 14-week period; reduced to 13-week basis for comparison purposes.
[7] Five-week periods.
[8] Provisional.
[9] The seasonal adjustment factors have recently been revised, consequently resulting in a number of amended figures.


Production of passenger cars
Thousands, seasonally adjusted
120
100
80
60
40
20
0
Total
of which:
For export
1978
1979
1980
1981
1982
1983


Production of commercial vehicles
Thousands, seasonally adjusted
40
20
0
Total
of which:
For export
1978
1979
1980
1981
1982
1983

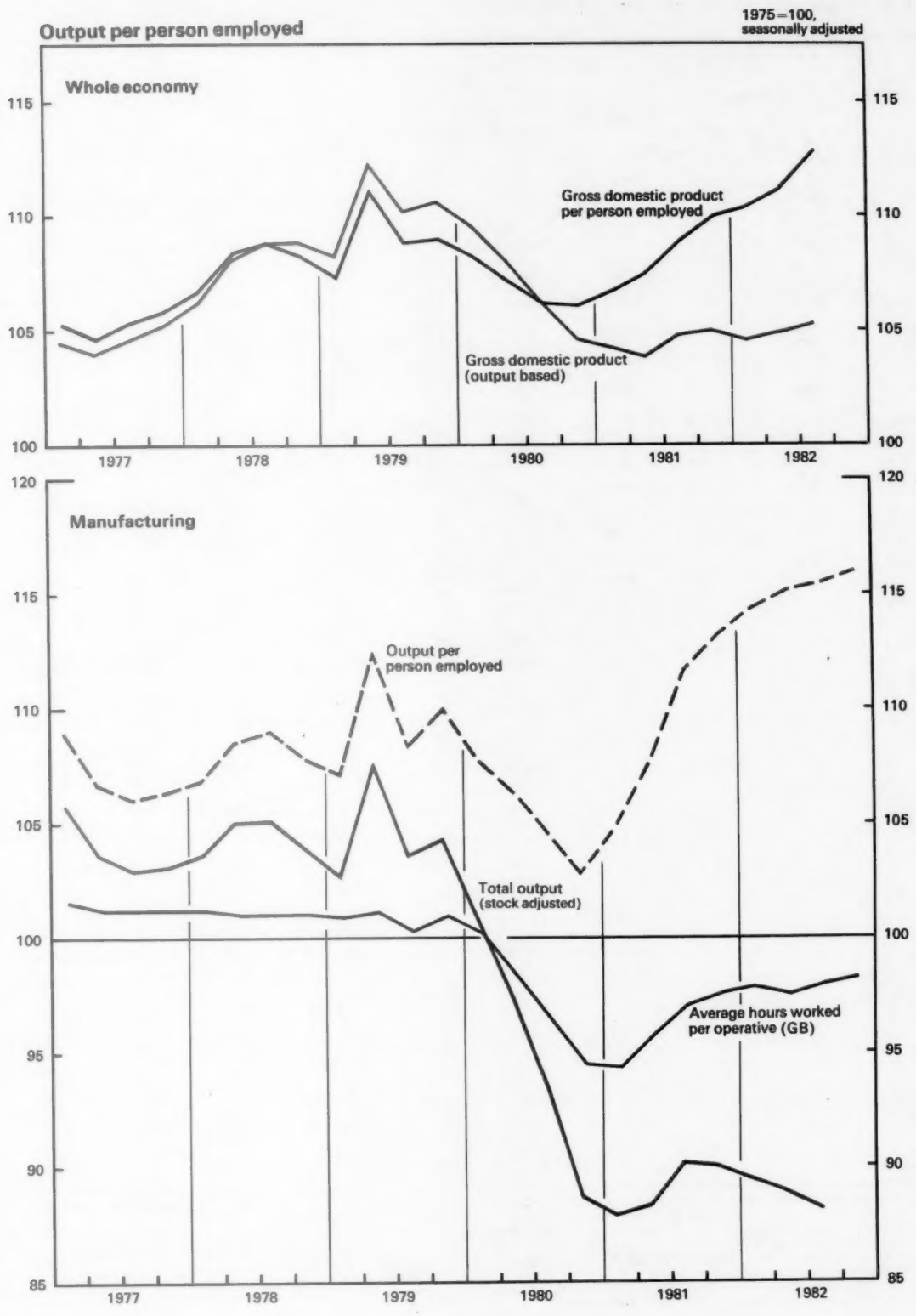
## Output per person employed[3]

**1975 = 100, seasonally adjusted**

| | Total employed labour force | Employment: Index of production industries | Employment: Manufacturing industries | Output per person employed[1]: Whole economy | Output per person employed[1]: Index of production industries[2] | Output per person employed[1]: Manufacturing industries[2] | Output per person hour in manufacturing industries[2] |
|---|---|---|---|---|---|---|---|
| 1972 | 98·1† | 103·1 | 103·9 | 99·9 | 98·6† | 95·9 | 94·5 |
| 1973 | 100·1 | 104·5 | 104·5 | 103·6 | 104·9 | 104·2 | 101·2 |
| 1974 | 100·5 | 104·1 | 104·7 | 101·5 | 101·5 | 102·7 | 101·8 |
| 1975 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 |
| 1976 | 99·3 | 97·2 | 96·9 | 102·6 | 105·5 | 105·3 | 105·1 |
| 1977 | 99·3 | 96·8 | 97·1 | 105·3 | 110·3 | 107·1 | 106·0 |
| 1978 | 100·0 | 96·7 | 96·7 | 108·1 | 114·4 | 108·1 | 107·2 |
| 1979 | 101·1 | 96·4 | 95·5 | 109·1 | 117·6 | 109·5 | 108·7 |
| 1980 | 100·1 | 92·3 | 90·1 | 107·0 | 114·4 | 105·5 | 107·4 |
| 1981 | 96·5 | 84·5 | 81·4 | 108·3 | 118·6 | 109·4 | 112·7 |
| 1982 | | 79·7 | 76·6 | | 126·9 | 115·3 | 117·5 |
| 1976 *1* | 99·4 | 97·6 | 97·0 | 101·3 | 103·4 | 103·3 | 103·6 |
| *2* | 99·2 | 97·1 | 96·7 | 102·2 | 104·9 | 105·2 | 105·2 |
| *3* | 99·2 | 97·0 | 96·7 | 102·4 | 104·7 | 105·0 | 104·7 |
| *4* | 99·2 | 97·0 | 97·0 | 104·6 | 108·8 | 107·8 | 106·9 |
| 1977 *1* | 99·3 | 96·9 | 97·1 | 105·3 | 110·6 | 109·0 | 107·6 |
| *2* | 99·3 | 96·9 | 97·2 | 104·7 | 110·0 | 106·7 | 105·7 |
| *3* | 99·3 | 96·7 | 97·1 | 105·4 | 109·9 | 106·1 | 105·1 |
| *4* | 99·4 | 96·6 | 97·0 | 105·8 | 110·7 | 106·4 | 105·4 |
| 1978 *1* | 99·6 | 96·8 | 97·0 | 106·7 | 111·8 | 108·9 | 105·8 |
| *2* | 99·8 | 96·7 | 96·8 | 108·4 | 115·2 | 108·6 | 107·8 |
| *3* | 100·0 | 96·5 | 96·5 | 108·9 | 115·8 | 109·1 | 108·3 |
| *4* | 100·6 | 96·6 | 96·3 | 108·3 | 114·9 | 107·9 | 107·0 |
| 1979 *1* | 100·8 | 96·6 | 96·0 | 107·4 | 114·7 | 107·1 | 106·2 |
| *2* | 101·0 | 96·5 | 95·8 | 111·2 | 120·1 | 112·5 | 111·4 |
| *3* | 101·3 | 96·4 | 95·5 | 108·8 | 117·6 | 108·4 | 108·1 |
| *4* | 101·4 | 95·9 | 94·7 | 109·0 | 117·8 | 110·1 | 109·2 |
| 1980 *1* | 101·2 | 94·9 | 93·5 | 108·3 | 116·6 | 107·8 | 107·4 |
| *2* | 100·7 | 93·6 | 91·7 | 107·2 | 114·9 | 106·5 | 107·5 |
| *3* | 99·9 | 91·5 | 89·1 | 106·3 | 113·4 | 104·7 | 107·4 |
| *4* | 98·7 | 89·1 | 86·2 | 106·1 | 112·8 | 102·9 | 107·1 |
| 1981 *1* | 97·7 | 86·9 | 83·9 | 106·7 | 114·4 | 104·8 | 109·4 |
| *2* | 96·7 | 85·1 | 82·0 | 107·5 | 116·6† | 107·7 | 111·5 |
| *3* | 96·1 | 83·5 | 80·4 | 108·9 | 120·5 | 111·7 | 114·5 |
| *4* | 95·4 | 82·4 | 79·3 | 110·0 | 122·7 | 113·2 | 115·5 |
| 1982 *1* | 94·8 | 81·1 | 78·2 | 110·4 | 124·3 | 114·4 | 116·5 |
| *2* | 94·2 | 80·3 | 77·2 | 111·3 | 126·0 | 115·3 | 117·7 |
| *3* | 93·4 | 79·1 | 76·0 | 112·8 | 128·0 | 115·5 | 117·8 |
| *4* | | 78·3 | 74·9 | | 129·2 | 116·0 | 118·0 |
| | *Percentage change quarter on corresponding quarter of previous year* | | | | | | |
| 1978 *1* | *+0·3* | *−0·1* | *− 0·1* | *+1·3* | *+1·1* | *−1·9* | *−1·7* |
| *2* | *+0·5* | *−0·2* | *− 0·4* | *+3·5* | *+4·7* | *+1·8* | *+2·0* |
| *3* | *+0·7* | *−0·2* | *− 0·6* | *+3·3* | *+5·4* | *+2·8* | *+3·0* |
| *4* | *+1·2* | *—* | *− 0·7* | *+2·4* | *+3·8* | *+1·4* | *+1·5* |
| 1979 *1* | *+1·2* | *−0·2* | *− 1·0* | *+0·7* | *+2·6* | *+0·2* | *+0·4* |
| *2* | *+1·2* | *−0·2* | *− 1·0* | *+2·6* | *+4·3* | *+3·6* | *+3·3* |
| *3* | *+1·3* | *−0·1* | *− 1·0* | *−0·1* | *+1·6* | *−0·6* | *−0·2* |
| *4* | *+0·8* | *−0·7* | *− 1·7* | *+0·6* | *+2·5* | *+2·0* | *+2·1* |
| 1980 *1* | *+0·4* | *−1·8* | *− 2·6* | *+0·8* | *+1·7* | *+0·7* | *+1·2* |
| *2* | *−0·3* | *−3·0* | *− 4·3* | *−3·6* | *−4·3* | *−5·3* | *−3·5* |
| *3* | *−1·4* | *−5·1* | *− 6·7* | *−2·3* | *−3·6* | *−3·4* | *−0·6* |
| *4* | *−2·7* | *−7·1* | *− 9·0* | *−2·7* | *−4·2* | *−6·5* | *−2·0* |
| 1981 *1* | *−3·5* | *−8·4* | *−10·3* | *−1·5* | *−1·9* | *−2·8* | *+1·9* |
| *2* | *−4·0* | *−9·1* | *−10·6* | *+0·3* | *+1·5* | *+1·1* | *+3·7* |
| *3* | *−3·8* | *−8·7* | *− 9·8* | *+2·4* | *+6·3* | *+6·7* | *+6·5* |
| *4* | *−3·3* | *−7·5* | *− 8·0* | *+3·7* | *+8·8* | *+10·0* | *+7·9* |
| 1982 *1* | *−3·0* | *−6·7* | *− 6·8* | *+3·5* | *+8·7* | *+ 9·2* | *+6·5* |
| *2* | *−2·6* | *−5·6* | *− 5·9* | *+3·5* | *+8·1* | *+ 7·1* | *+5·5* |
| *3* | *−2·8* | *−5·3* | *− 5·5* | *+3·6* | *+6·2* | *+ 3·4* | *+2·9* |
| *4* | | *−5·0* | *− 5·5* | | *+5·3* | *+ 2·5* | *+2·2* |

[1] The ratios do not take into account part-time working or hours of work.

[2] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers used to calculate output per person employed allow for this by adjusting for changes in the level of stocks in these sectors.


Output per person employed
1975=100, seasonally adjusted
Whole economy
115
110
105
100
Gross domestic product per person employed
Gross domestic product (output based)
1977
1978
1979
1980
1981
1982
120
115
110
105
100
95
90
85
Manufacturing
Output per person employed
Total output (stock adjusted)
Average hours worked per operative (GB)

## National employment and unemployment[1]

| | Seasonally adjusted | | | | | | | | Unadjusted |
|---|---|---|---|---|---|---|---|---|---|
| | United Kingdom | | | | | | Great Britain Manufacturing industry | | United Kingdom |
| | Thousands | | | Unemployed excluding school leavers | | Thousands | 1975 = 100 | 1975 = 100 | Thousands |
| | Working population[2,3] | Employed labour force[2,3] | Employees in employment[3] | Thousands[4] | Percentage of employees[4,5] | Vacancies notified to employment offices§[4] | Employees in employment | Average hours worked per operative | Total unemployed including school leavers |
| 1974 | 25,707 | 25,131 | 22,790 | 610·8 | *2·6* | 297·3 | 104·7 | 101·1 | 599·5 |
| 1975 | 25,926† | 25,041 | 22,711 | 922·9 | *3·9* | 154·4 | 100·0 | 100·0 | 940·9 |
| 1976 | 26,133 | 24,825 | 22,540 | 1,249·1 | *5·2* | 122·2 | 96·8 | 100·3 | 1,301·7 |
| 1977 | 26,242 | 24,839 | 22,608 | 1,333·1 | *5·6* | 154·7 | 97·2 | 101·3 | 1,402·7 |
| 1978 | 26,376 | 24,984 | 22,762 | 1,319·1 | *5·5* | 210·3 | 96·8 | 101·1 | 1,382·9 |
| 1979 | 26,596 | 25,304 | 23,087 | 1,242·4 | *5·1* | 241·3 | 95·7† | 100·9† | 1,295·7 |
| 1980 | 26,748 | 25,165† | 22,831† | 1,560·8 | *6·5* | 143·0 | 90·2 | 97·5 | 1,664·9 |
| 1981 | 26,603 | 24,126 | 21,674 | 2,413·1 | *10·2* | 97·0 | 81·3 | 96·2 | 2,520·4 |
| 1982 | 26,360 | 23,502 | 21,060 | 2,793·2 | *12·0* | 111·3 | 76·5 | 98·0 | 2,916·9 |
| 1980 *1* | 26,666 | 25,295 | 22,990† | 1,286·8 | *5·4* | 193·2 | 93·7† | 100·3 | 1,379·3 |
| *2* | 26,748 | 25,165 | 22,831 | 1,416·6 | *5·9* | 158·9 | 91·8 | 98·5 | 1,445·2 |
| *3* | 26,732 | 24,911 | 22,542 | 1,626·5 | *6·8* | 120·6 | 89·2 | 96·6 | 1,824·4 |
| *4* | 26,719 | 24,608 | 22,210 | 1,913·3 | *8·0* | 99·2 | 86·3 | 94·6 | 2,010·8 |
| 1981 *1* | 26,690 | 24,362 | 21,937 | 2,166·0 | *9·2* | 98·2 | 83·6 | 94·4 | 2,305·7 |
| *2* | 26,603 | 24,126 | 21,674 | 2,362·2 | *10·0* | 89·4 | 81·9 | 95·8 | 2,391·8 |
| *3* | 26,671 | 23,992 | 21,539 | 2,515·1 | *10·7* | 86·4 | 80·3 | 97·1 | 2,615·6 |
| *4* | 26,569 | 23,798 | 21,348 | 2,609·1 | *11·1* | 104·1 | 79·3 | 97·6 | 2,768·4 |
| 1982 *1* | 26,500 | 23,686 | 21,240 | 2,679·4 | *11·5* | 111·7 | 78·2 | 97·9 | 2,862·4 |
| *2* | 26,360 | 23,502 | 21,060 | 2,742·5 | *11·8* | 107·2 | 77·2 | 97·6 | 2,796·2 |
| *3* | 26,301 | 23,307 | 20,866 | 2,837·5 | *12·2* | 110·9 | 75·9 | 98·0 | 2,939·2 |
| *4* | .. | .. | .. | 2,913·2 | *12·5* | 115·3 | 74·8 | 98·3 | 3,069·7 |
| 1980 *O* | .. | .. | .. | 1,806·7 | *7·5* | 101·7 | 87·2 | 94·8 | 1,916·4 |
| *N* | .. | .. | .. | 1,918·9 | *8·0* | 96·7 | 86·1 | 94·5 | 2,016·0 |
| *D* | .. | .. | .. | 2,014·4 | *8·4* | 99·1 | 85·4† | 94·4 | 2,099·9 |
| 1981 *J* | .. | .. | .. | 2,094·0 | *8·9* | 101·1 | 83·7 | 94·3 | 2,271·1 |
| *F* | .. | .. | .. | 2,166·0 | *9·2* | 97·7 | 83·9 | 94·2 | 2,312·4 |
| *M* | .. | .. | .. | 2,238·1 | *9·5* | 95·9 | 83·1 | 94·6 | 2,333·5 |
| *A* | .. | .. | .. | 2,301·1 | *9·8* | 93·4 | 82·5 | 95·5 | 2,372·7 |
| *M* | .. | .. | .. | 2,368·0 | *10·0* | 90·1 | 81·9 | 95·7 | 2,407·4 |
| *J* | .. | .. | .. | 2,417·4 | *10·2* | 84·7 | 81·1 | 96·2 | 2,395·2 |
| *J* | .. | .. | .. | 2,476·5 | *10·5* | 92·9 | 80·7 | 96·6 | 2,511·8 |
| *A* | .. | .. | .. | 2,514·2 | *10·7* | 98·5 | 80·4 | 97·3 | 2,586·3 |
| *S* | .. | .. | .. | 2,554·6 | *10·8* | 97·8 | 80·0 | 97·5 | 2,748·6 |
| *O* | .. | .. | .. | 2,582·8 | *10·9* | 100·6 | 79·7 | 97·8 | 2,771·6 |
| *N* | .. | .. | .. | 2,615·5 | *11·1* | 104·3 | 79·3 | 97·5 | 2,769·5 |
| *D* | .. | .. | .. | 2,629·0 | *11·1* | 107·5 | 78·8 | 97·5 | 2,764·1 |
| 1982 *J* | .. | .. | .. | 2,670·5 | *11·5* | 111·6 | 78·5 | 97·7 | 2,896·3 |
| *F* | .. | .. | .. | 2,679·8 | *11·5* | 113·0 | 78·2 | 98·1 | 2,870·2 |
| *M* | .. | .. | .. | 2,687·9 | *11·5* | 110·6 | 78·0 | 98·0 | 2,820·8 |
| *A* | .. | .. | .. | 2,715·1 | *11·7* | 109·7 | 77·6 | 97·5 | 2,818·5 |
| *M* | .. | .. | .. | 2,739·8 | *11·8* | 106·6 | 77·1 | 97·7 | 2,800·5 |
| *J* | .. | .. | .. | 2,772·7 | *11·9* | 105·2 | 76·8 | 97·7 | 2,769·6 |
| *J* | .. | .. | .. | 2,813·8 | *12·1* | 111·4 | 76·3 | 97·8 | 2,852·5 |
| *A* | .. | .. | .. | 2,832·4 | *12·2* | 114·0 | 75·9 | 98·1 | 2,898·8 |
| *S* | .. | .. | .. | 2,866·4 | *12·3* | 107·3 | 75·6 | 98·0 | 3,066·2 |
| *O* | .. | .. | .. | 2,885·4 | *12·4* | 113·9 | 75·3 | 98·3 | 3,049·0 |
| *N* | .. | .. | .. | 2,905·5 | *12·5* | 114·4 | 74·8 | 98·3 | 3,063·0 |
| *D* | .. | .. | .. | 2,948·8 | *12·7* | 117·6 | 74·3 | 98·3 | 3,097·0 |
| 1983 *J* | .. | .. | .. | 2,982·7 | *12·8* | 122·0 | 73·9 | 98·3 | 3,225·2 |
| *F* | .. | .. | .. | 3,000·3[6] | *12·9* | 124·0 | | | 3,199·4 |

[1] Unemployment figures (new basis–claimants) do not include students registered for temporary employment during a current vacation.

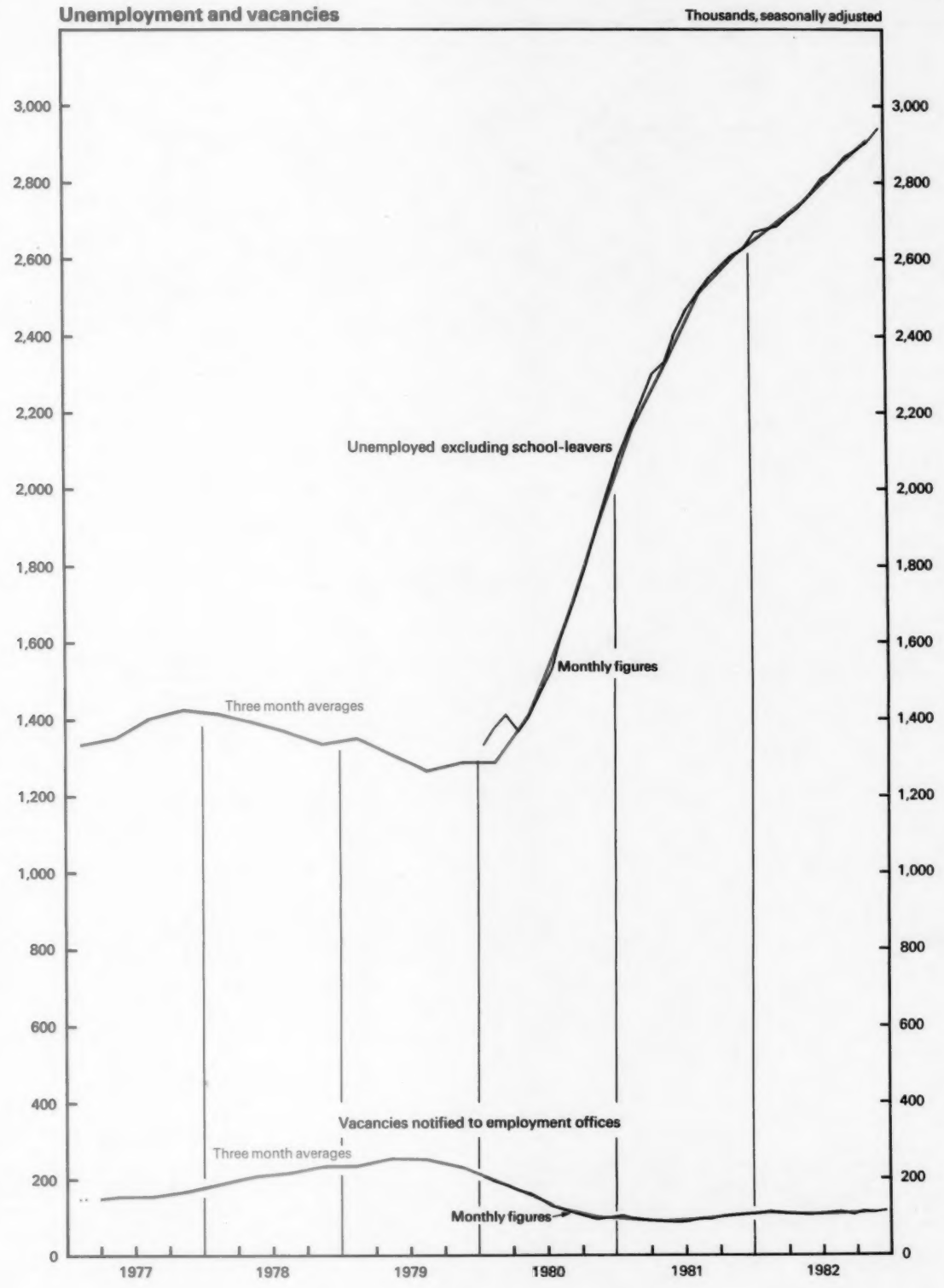
[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.

[3] Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December respectively.

[4] The seasonally adjusted series have been revised as described in the December 1982 *Employment Gazette*.

[5] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed).

[6] Provisional.


Unemployment and vacancies
Thousands, seasonally adjusted
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
Unemployed excluding school-leavers
Monthly figures
Three month averages
Vacancies notified to employment offices
Three month averages
Monthly figures
1977
1978
1979
1980
1981
1982

## Regional unemployment rates[1]

| | | Seasonally adjusted | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Per cent | | | | | | |
| | | North | Yorkshire and Humberside | East Midlands | East Anglia | South East | South West | West Midlands |
| 1977 | 1 | 7.1 | 5.0 | 4.4 | 4.7 | 4.1 | 6.1 | 5.1 |
| | 2 | 7.2 | 5.1 | 4.5 | 4.8 | 4.1 | 6.2 | 5.1 |
| | 3 | 7.6 | 5.4 | 4.6 | 5.0 | 4.2 | 6.4 | 5.2 |
| | 4 | 7.9 | 5.4 | 4.7 | 5.0 | 4.2 | 6.5 | 5.2 |
| 1978 | 1 | 8.0 | 5.4 | 4.6 | 4.8 | 4.0 | 6.2 | 5.0 |
| | 2 | 8.0 | 5.4 | 4.6 | 4.7 | 3.9 | 6.1 | 5.0 |
| | 3 | 8.0 | 5.5 | 4.5 | 4.6 | 3.8 | 5.9 | 5.0 |
| | 4 | 8.0 | 5.3 | 4.4 | 4.5 | 3.6 | 5.6 | 4.9 |
| 1979 | 1[2] | 8.0 | 5.4 | 4.4 | 4.5 | 3.6 | 5.5 | 4.9 |
| | 2[2] | 7.8 | 5.2 | 4.2 | 4.2 | 3.4 | 5.3 | 4.9 |
| | 3[2] | 7.8 | 5.1 | 4.1 | 4.1 | 3.2 | 5.2 | 4.9 |
| | 4[2] | 7.9 | 5.1 | 4.2 | 4.0 | 3.2 | 5.0 | 5.0 |
| 1980 | 1[2] | 8.4 | 5.5 | 4.5 | 4.2 | 3.4 | 5.1 | 5.3 |
| | 2[2] | 9.2 | 6.2 | 5.1 | 4.6 | 3.7 | 5.5 | 6.0 |
| | 3[2] | 10.0 | 7.6 | 6.1 | 5.5 | 4.3 | 6.3 | 7.2 |
| | 4[2] | 11.3 | 8.5 | 7.3 | 6.5 | 5.2 | 7.3 | 9.0 |
| 1981 | 1[2] | 12.9 | 10.0 | 8.5 | 7.6 | 6.2 | 8.3 | 10.9 |
| | 2[2] | 13.7 | 10.9 | 9.3 | 8.3 | 6.9 | 9.0 | 12.1 |
| | 3[2,3] | 14.4 | 11.5 | 9.7 | 8.7 | 7.5 | 9.5 | 12.9 |
| | 4[2,3] | 14.8 | 12.0 | 10.1 | 9.1 | 7.9 | 9.9 | 13.5 |
| 1982 | 1 | 15.0 | 12.4 | 10.4 | 9.6 | 8.3 | 10.1 | 14.1 |
| | 2 | 15.4 | 12.6 | 10.6 | 9.8 | 8.6 | 10.3 | 14.4 |
| | 3 | 16.0 | 13.0 | 10.9 | 10.1 | 8.8 | 10.6 | 14.8 |
| | 4 | 16.3 | 13.4 | 11.3 | 10.7 | 9.2 | 11.0 | 15.1 |

| | | North West | Wales | Scotland | Great Britain | Northern Ireland | United Kingdom |
|---|---|---|---|---|---|---|---|
| 1977 | 1 | 6.4 | 6.8 | 6.9 | 5.3 | 9.3 | 5.4 |
| | 2 | 6.5 | 6.9 | 7.1 | 5.4 | 9.5 | 5.5 |
| | 3 | 6.7 | 7.2 | 7.4 | 5.6 | 9.8 | 5.7 |
| | 4 | 6.8 | 7.5 | 7.5 | 5.6 | 9.9 | 5.7 |
| 1978 | 1 | 6.6 | 7.3 | 7.5 | 5.5 | 10.0 | 5.6 |
| | 2 | 6.6 | 7.3 | 7.3 | 5.4 | 10.2 | 5.5 |
| | 3 | 6.6 | 7.3 | 7.2 | 5.4 | 10.3 | 5.5 |
| | 4 | 6.4 | 7.1 | 7.1 | 5.2 | 9.9 | 5.3 |
| 1979 | 1[2] | 6.4 | 7.3 | 7.2 | 5.2 | 10.0 | 5.3 |
| | 2[2] | 6.3 | 7.0 | 7.1 | 5.0 | 9.9 | 5.2 |
| | 3[2] | 6.1 | 6.7 | 7.1 | 4.9 | 10.0 | 5.0 |
| | 4[2] | 6.2 | 6.7 | 7.1 | 4.9 | 10.0 | 5.1 |
| 1980 | 1[2] | 6.7 | 7.3 | 7.6 | 5.2 | 10.3 | 5.4 |
| | 2[2] | 7.4 | 8.1 | 8.2 | 5.8 | 11.0 | 5.9 |
| | 3[2] | 8.3 | 9.3 | 8.9 | 6.6 | 12.3 | 6.8 |
| | 4[2] | 9.7 | 10.8 | 10.0 | 7.8 | 14.0 | 8.0 |
| 1981 | 1[2] | 11.1 | 12.2 | 11.1 | 9.0 | 15.4 | 9.2 |
| | 2[2] | 12.0 | 13.0 | 12.0 | 9.9 | 16.1 | 10.0 |
| | 3[2,3] | 12.9 | 13.7 | 12.7 | 10.5 | 16.5 | 10.7 |
| | 4[2,3] | 13.3 | 14.1 | 13.0 | 10.9 | 16.8 | 11.1 |
| 1982 | 1 | 13.8 | 14.8 | 13.4 | 11.4 | 17.4 | 11.5 |
| | 2 | 14.2 | 15.0 | 13.6 | 11.6 | 18.1 | 11.8 |
| | 3 | 14.6 | 15.3 | 14.0 | 12.0 | 18.6 | 12.2 |
| | 4 | 15.0 | 15.7 | 14.2 | 12.3 | 19.2 | 12.5 |

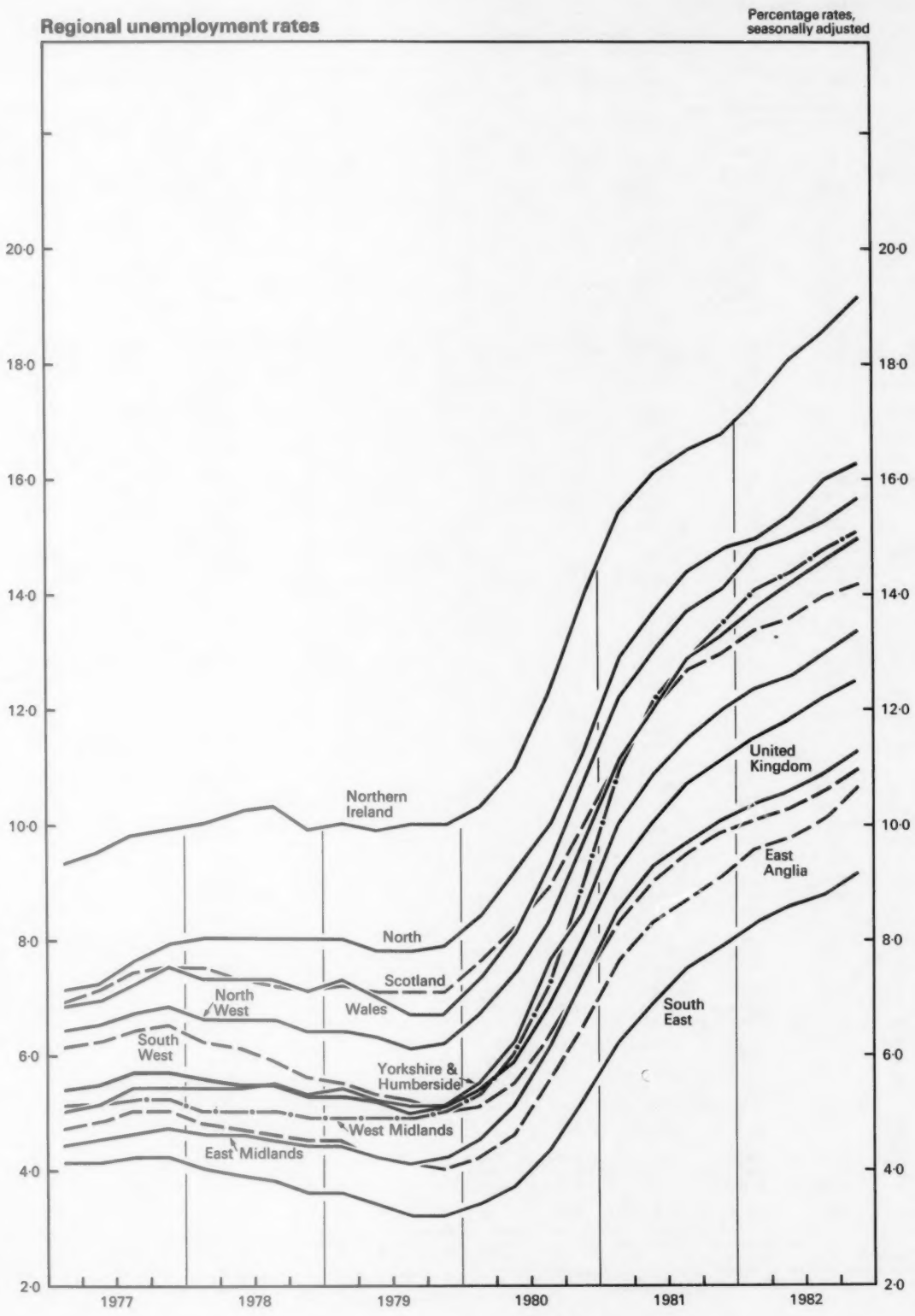
[1] Numbers unemployed (new basis – claimants) excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed).

[2] The seasonally adjusted series have been revised as described in the December 1982 *Employment Gazette*

[3] The recorded unemployment figures for July to October 1981 are overstated by about 20,000 (net) as a result of industrial action at benefit offices. The seasonally adjusted totals for GB and UK have been reduced to allow for this. No adjustment has been made to other unemployment figures.

## Regional unemployment rates

Percentage rates, seasonally adjusted



## Wage rates and earnings

| | | Unadjusted | | Seasonally adjusted[1] | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 31 July 1972 = 100[2] | | January 1976 = 100 | | | | | | 1975 = 100 | |
| | | Basic weekly wage rates (manual workers) | | Average earnings (GB) | | | | | | Wages and salaries per unit of output | |
| | | All industries and services | Manufacturing industry | Whole economy | *Percentage increase on year earlier* | Index of production industries | *Percentage increase on year earlier* | Manufacturing industry | *Percentage increase on year earlier* | Whole economy | Manufacturing industry[3] |
| 1972 | | 101·3 | 101·5 | .. | .. | .. | .. | .. | .. | 59·3 | 62·4 |
| 1973 | | 115·2 | 114·6 | .. | .. | .. | .. | .. | .. | 63·2 | 64·9 |
| 1974 | | 138·0 | 134·3 | .. | .. | .. | .. | .. | .. | 76·8 | 77·2 |
| 1975 | | 178·7 | 174·4 | .. | .. | .. | .. | .. | .. | 100·0 | 100·0 |
| 1976 | | 213·2 | 209·0 | 106·1 | .. | 106·3 | .. | 106·2 | .. | 109·8 | 110·5 |
| 1977 | | 227·3 | 218·9 | 115·6 | *9·0* | 117·2 | *10·3* | 117·1 | *10·2* | 116·9 | 120·1 |
| 1978 | | 259·3 | 258·8 | 130·6 | *13·0* | 134·3 | *14·6* | 134·0 | *14·5* | 129·3 | 135·9 |
| 1979 | | 298·1 | 297·5 | 150·8 | *15·5* | 154·9 | *15·3* | 154·8 | *15·5* | 149·1 | 155·1 |
| 1980 | | 351·8 | 348·5 | 182·1 | *20·7* | 183·9 | *18·8* | 182·5 | *17·9* | 180·1 | 190·0 |
| 1981 | | 387·5 | 381·3 | 205·6 | *12·9* | 208·5 | *13·4* | 206·6 | *13·2* | 197·8 | 207·0 |
| 1982 | | 413·6 | 403·5 | 224·7 | *9·3* | 231·5 | *11·1* | 229·5 | *11·1* | | 218·2 |
| 1980 | *1* | 334·9 | 336·5 | 168·8 | *19·7* | 172·4 | *18·8* | 170·6 | *17·3* | 166·4 | 173·6 |
| | *2* | 348·3 | 345·3 | 178·0 | *21·4* | 180·8 | *18·8* | 179·9 | *17·8* | 175·5 | 185·3 |
| | *3* | 357·4 | 349·9 | 188·1 | *22·2* | 189·4 | *21·5* | 188·3 | *21·4* | 188·4 | 197·1 |
| | *4* | 366·6 | 362·3 | 193·3 | *19·5* | 193·2 | *16·1* | 191·3 | *15·1* | 190·9 | 203·9 |
| 1981 | *1* | 377·0 | 372·5 | 196·7 | *16·5* | 200·0 | *16·0* | 198·9 | *15·4* | 193·1 | 206·1† |
| | *2* | 385·5 | 379·3 | 201·2 | *13·0* | 203·0 | *12·3* | 200·5 | *11·5* | 195·6 | 203·9 |
| | *3* | 391·1 | 383·0 | 209·6 | *11·4* | 213·0 | *12·4* | 212·0 | *12·6* | 200·6 | 208·0 |
| | *4* | 396·4 | 390·3 | 214·8 | *11·1* | 218·2 | *13·0* | 216·9 | *13·4* | 202·0 | 210·2 |
| 1982 | *1* | 404·4 | 397·6 | 218·5 | *11·1* | 225·2 | *12·6* | 222·2 | *12·9* | 205·1 | 213·0 |
| | *2* | 411·6 | 401·6 | 221·5 | *10·1* | 228·4 | *12·5* | 226·5 | *13·0* | 207·7 | 215·5 |
| | *3* | 415·0 | 403·7 | 227·5 | *8·5* | 234·1 | *9·9* | 232·4 | *9·7* | 209·0 | 220·5 |
| | *4* | 421·0 | 410·9 | 231·5 | *7·7* | 238·6 | *9·3* | 236·9 | *9·2* | | 223·7 |
| 1980 | *M* | 347·3 | 346·7 | 176·7 | *21·3* | 179·4 | *18·7* | 178·7 | *17·6* | .. | 184·7 |
| | *J* | 355·5 | 348·6 | 182·1 | *21·7* | 184·8 | *18·4* | 184·5 | *17·7* | .. | 190·3 |
| | *J* | 356·8 | 349·1 | 183·1 | *18·9* | 187·8 | *19·8* | 186·9 | *18·9* | .. | 193·5 |
| | *A* | 357·3 | 350·0 | 187·3 | *21·7* | 189·6 | *21·6* | 188·5 | *22·3* | .. | 197·9 |
| | *S* | 358·1 | 350·7 | 194·0 | *26·1* | 190·8 | *23·1* | 189·4 | *23·1* | .. | 199·8 |
| | *O* | 359·5 | 351·0 | 190·7 | *20·1* | 191·3 | *16·9* | 189·9 | *16·2* | .. | 203·3† |
| | *N* | 368·9 | 367·8 | 192·6 | *18·9* | 193·0 | *16·1* | 191·4 | *15·3* | .. | 204·1 |
| | *D* | 371·4 | 367·9 | 196·6 | *19·5* | 195·3 | *15·4* | 192·6 | *13·9* | .. | 204·4 |
| 1981 | *J* | 376·1 | 372·2 | 195·3 | *18·6* | 197·8 | *17·0* | 194·5 | *16·0* | .. | 205·9 |
| | *F* | 377·0 | 372·6 | 196·9 | *16·5* | 200·5 | *16·7* | 197·6 | *16·2* | .. | 206·0 |
| | *M* | 378·0 | 372·8 | 197·9 | *14·5* | 201·7 | *14·3* | 198·7 | *14·1* | .. | 206·3 |
| | *A* | 383·8 | 376·7 | 199·5 | *13·9* | 200·2 | *12·5* | 197·5 | *12·0* | .. | 202·4 |
| | *M* | 385·4 | 379·1 | 200·0 | *13·2* | 201·3 | *12·2* | 198·9 | *11·3* | .. | 204·5 |
| | *J* | 387·2 | 382·0 | 203·9 | *12·0* | 207·5 | *12·3* | 205·2 | *11·2* | .. | 204·9 |
| | *J* | 390·7 | 382·3 | 205·3 | *12·1* | 209·7 | *11·6* | 208·4 | *11·5* | .. | 205·3 |
| | *A* | 391·2 | 383·1 | 211·4 | *12·8* | 214·6 | *13·2* | 213·8 | *13·5* | .. | 211·1 |
| | *S* | 391·4 | 383·5 | 212·1 | *9·3* | 214·6 | *12·4* | 213·7 | *12·8* | .. | 207·6 |
| | *O* | 391·7 | 383·5 | 213·4 | *11·9* | 217·5 | *13·7* | 217·4 | *14·5* | .. | 209·2 |
| | *N* | 398·7 | 393·7 | 214·4 | *11·3* | 217·9 | *12·9* | 216·8 | *13·3* | .. | 209·9 |
| | *D* | 398·8 | 393·7 | 216·5 | *10·1* | 219·3 | *12·3* | 216·6 | *12·5* | .. | 211·4 |
| 1982 | *J* | 403·6 | 397·2 | 216·4 | *10·8* | 222·7 | *12·6* | 220·2 | *13·2* | .. | 213·8 |
| | *F* | 404·5 | 397·8 | 219·4 | *11·4* | 226·5 | *13·0* | 222·1 | *12·4* | .. | 212·0 |
| | *M* | 405·2 | 397·9 | 219·7 | *11·0* | 226·2 | *12·0* | 224·4 | *13·0* | .. | 213·3 |
| | *A* | 410·2† | 400·0 | 219·8 | *10·2* | 226·4 | *13·1* | 224·7 | *13·7* | .. | 214·3 |
| | *M* | 411·9 | 401·8 | 220·8 | *10·4* | 227·9 | *13·2* | 225·9 | *13·6* | .. | 213·4 |
| | *J* | 415·7 | 403·1 | 224·0 | *9·8* | 231·0 | *11·3* | 229·0 | *11·6* | .. | 218·8 |
| | *J* | 416·1 | 403·2 | 227·8 | *11·0* | 232·5 | *10·9* | 230·7 | *10·7* | .. | 220·1 |
| | *A* | 416·4 | 403·7 | 228·0 | *7·8* | 235·5 | *9·7* | 233·9 | *9·3* | .. | 221·7 |
| | *S* | 416·7 | 404·1 | 226·7 | *6·8* | 234·5 | *9·3* | 232·9 | *9·0* | .. | 219·7 |
| | *O* | 417·0 | 404·1 | 229·0 | *7·3* | 236·2 | *8·6* | 236·4 | *8·8* | .. | 224·1 |
| | *N* | 423·1 | 414·6 | 232·3 | *8·4* | 239·1 | *9·7* | 236·4 | *9·1* | .. | 224·7 |
| | *D* | 423·1 | 414·6 | 233·1 | *7·7* | 240·6 | *9·7* | 237·8 | *9·8* | .. | 222·4 |
| 1983 | *J* | 425·2 | 416·1 | 234·7[4] | *8·5*[4] | 242·1[4] | *8·7*[4] | 238·9[4] | *8·5*[4] | .. | 216·1 |

[1] The seasonal adjustment factors currently used are based on data up to December 1980.

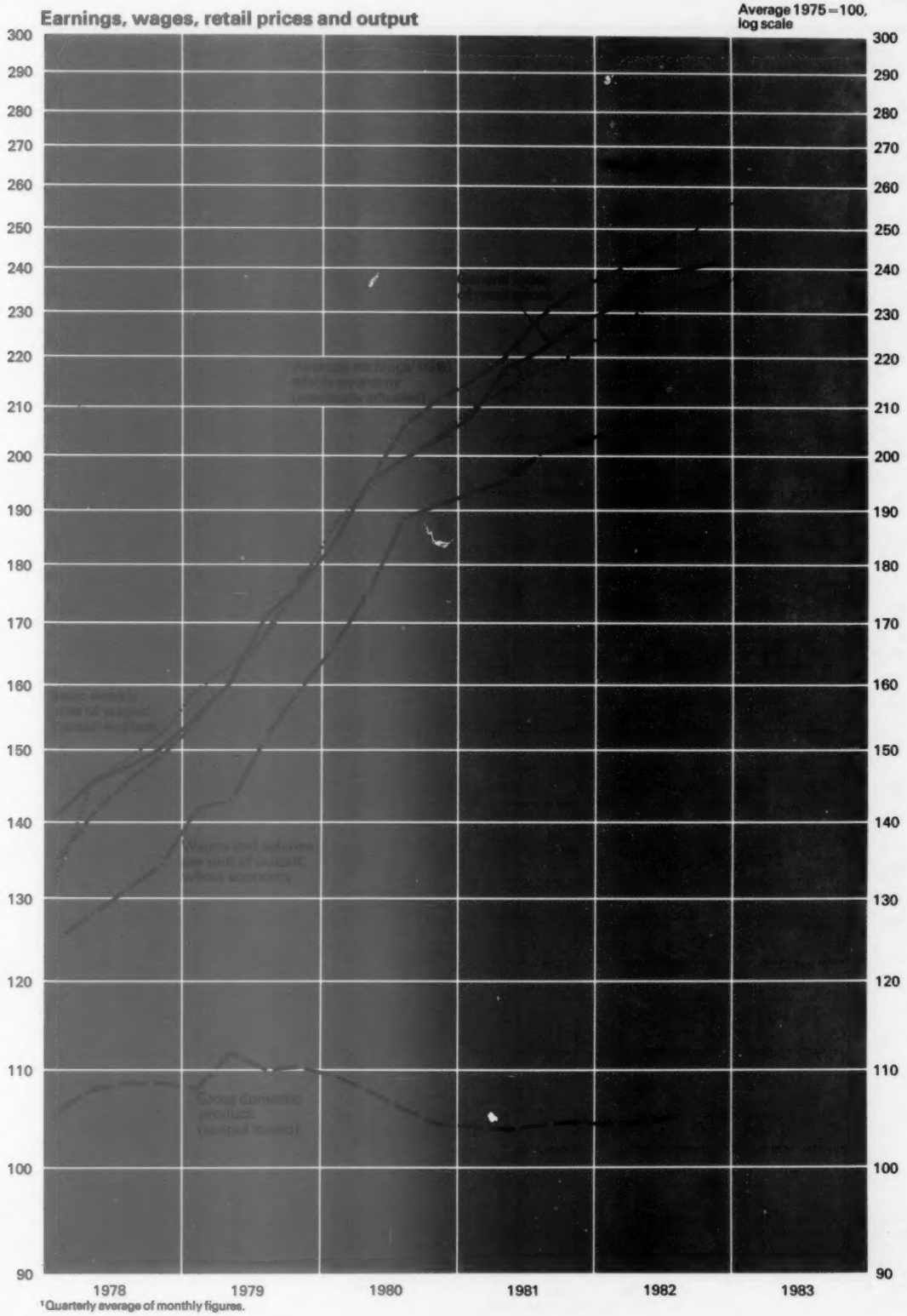
[2] Before July 1972 the series was based on 31 January 1956 = 100. Figures before July 1972 have therefore been linked.

[3] This index, based on the monthly indices of average earnings, employment and output adjusted for movements in stocks, now relates to individual months, whereas in the past it has related to a centred 3 month average and has not been stock adjusted.

[4] Provisional.

**Calculation of indices of basic weekly wage rates will cease after December 1983**

## Earnings, wages, retail prices and output



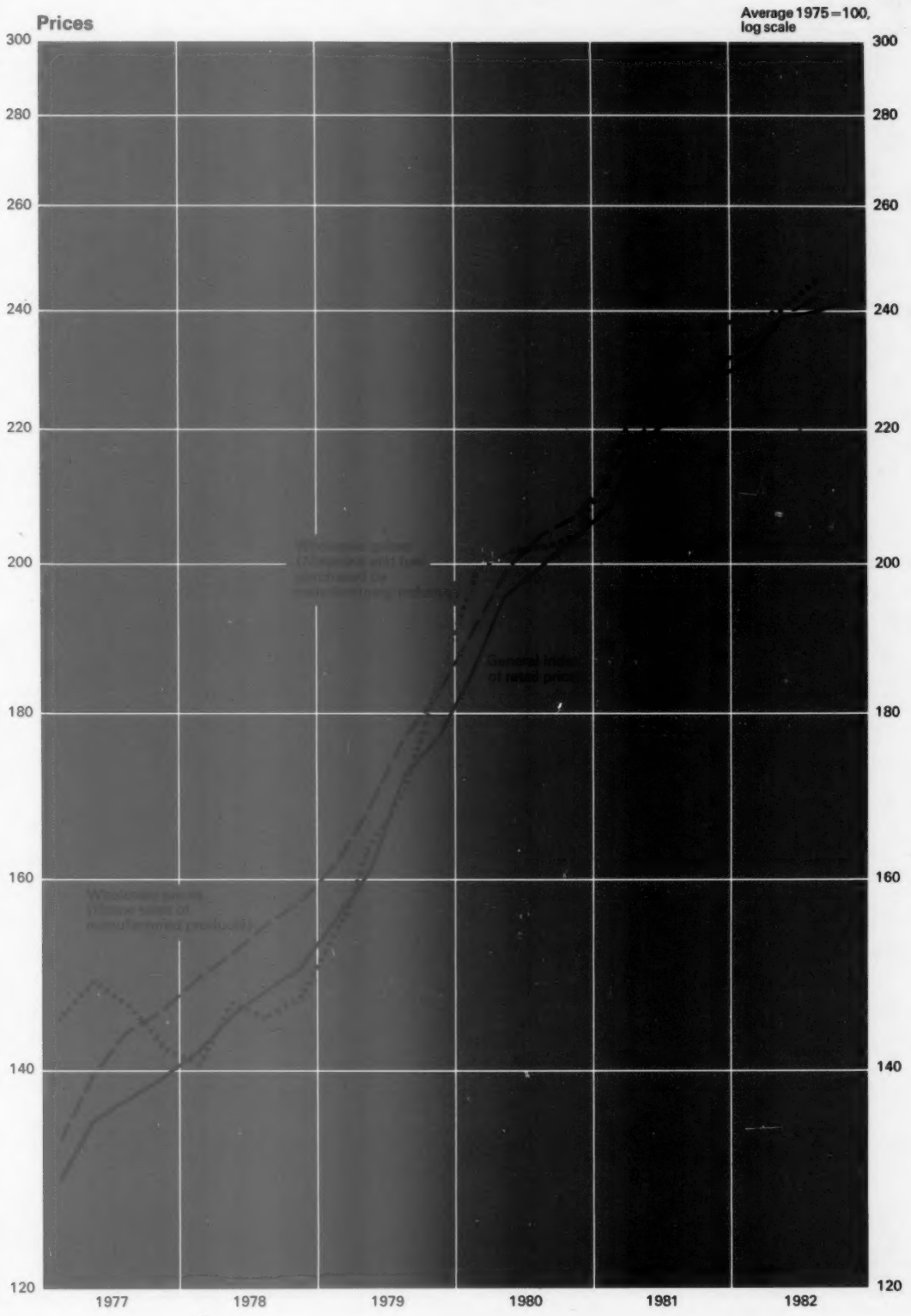

[1] Quarterly average of monthly figures.

## Prices

**Unadjusted**

| | Average 1975 = 100 | | | | | | | | | | Average 1975 = 100p |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Wholesale prices index | | General index of retail prices | | | | | | Pensioner price index[1] | | |
| | Materials and fuel purchased by manufacturing industry[2] | Output of all manufactured products: Home sales[3] | All items: Index | All items: *Percentage increase on year earlier* | Total food | Total non-food | All items other than seasonal food: Index | All items other than seasonal food: *Percentage increase on year earlier* | One person household | Two person household | Purchasing power of the pound[4] |
| 1972 | 44·4 | 62·1 | 63·6 | *7·1* | 58·6 | 65·3 | 64·1 | *6·9* | 62·4 | 62·3 | 157 |
| 1973 | 58·8 | 66·7 | 69·4 | *9·2* | 67·5 | 70·1 | 69·4 | *8·3* | 68·4 | 68·7 | 144 |
| 1974 | 86·8 | 81·8 | 80·5 | *16·1* | 79·8 | 80·8 | 80·5 | *16·0* | 79·5 | 79·8 | 124 |
| 1975 | 100·0 | 100·0 | 100·0 | *24·2* | 100·0 | 100·0 | 100·0 | *24·2* | 100·0 | 100·0 | 100 |
| 1976 | 127·0 | 117·3 | 116·5 | *16·5* | 120·0 | 115·6 | 115·8 | *15·8* | 119·1 | 118·8 | 86 |
| 1977 | 145·6 | 140·5 | 135·0 | *15·8* | 142·8 | 132·8 | 134·3 | *16·0* | 139·1 | 138·7 | 74 |
| 1978 | 144·6 | 153·3 | 146·2 | *8·3* | 152·9 | 144·3 | 146·5 | *9·0* | 150·4 | 149·8 | 68 |
| 1979 | 167·6 | 172·0 | 165·8 | *13·4* | 171·3 | 164·3 | 165·9 | *13·3* | 168·0 | 167·6 | 60 |
| 1980 | 200·9 | 200·0 | 195·6 | *18·0* | 191·9 | 196·5 | 196·3 | *18·4* | 195·7 | 194·6 | 51 |
| 1981 | 228·2 | 221·3 | 218·9 | *11·9* | 208·2 | 221·6 | 219·8 | *11·9* | 238·3 | 236·8 | 46 |
| 1982 | | | 237·7 | *8·6* | 224·5 | 241·1 | 238·4 | *8·5* | | | 42 |
| 1979 *2* | 163·3 | 168·0 | 160·7 | *10·6* | 169·9 | 158·3 | 160·2 | *10·4* | 163·4 | 162·9 | 62 |
| *3* | 169·9 | 176·4 | 171·4 | *16·0* | 173·9 | 170·6 | 171·9 | *16·0* | 171·8 | 171·7 | 58 |
| *4* | 183·9 | 181·8 | 176·2 | *17·3* | 178·0 | 175·7 | 176·7 | *17·2* | 177·6 | 177·2 | 57 |
| 1980 *1* | 197·2 | 191·4 | 184·6 | *19·1* | 185·7 | 184·1 | 184·8 | *19·5* | 185·7 | 184·9 | 54 |
| *2* | 201·3 | 199·0 | 195·3 | *21·5* | 192·0 | 196·1 | 195·8 | *22·3* | 194·1 | 193·5 | 51 |
| *3* | 201·9 | 203·6 | 199·4 | *16·4* | 194·5 | 200·7 | 200·4 | *16·5* | 199·2 | 197·9 | 50 |
| *4* | 203·3 | 206·1 | 203·2 | *15·3* | 195·5 | 205·1 | 204·3 | *15·6* | 203·7 | 201·9 | 49 |
| 1981 *1* | 213·8 | 212·3 | 208·0 | *12·7* | 201·6 | 209·5 | 209·0 | *13·1* | 209·8 | 208·2 | 48 |
| *2* | 225·8 | 219·4 | 218·1 | *11·7* | 207·8 | 220·8 | 218·9 | *11·8* | 216·4 | 215·7 | 46 |
| *3* | 235·9 | 224·1 | 221·9 | *11·2* | 209·2 | 225·2 | 223·0 | *11·3* | 220·1 | 219·6 | 45 |
| *4* | 237·3 | 229·2 | 227·4 | *11·9* | 214·2 | 230·8 | 228·2 | *11·7* | 225·6 | 225·1 | 44 |
| 1982 *1* | 238·2 | 234·3 | 231·1 | *11·1* | 223·3 | 233·1 | 231·2 | *10·7* | 232·7 | 231·6 | 43 |
| *2* | 240·0 | 238·2 | 238·5 | *9·4* | 228·1 | 241·3 | 238·2 | *8·9* | 238·8 | 237·3 | 42 |
| *3* | 244·9 | 242·0 | 239·5 | *8·0* | 222·8 | 244·0 | 240·9 | *8·0* | 239·3 | 237·6 | 42 |
| *4* | 251·7[6] | 246·8 | 241·4 | *6·2* | 223·9 | 246·0 | 243·1 | *6·5* | 242·5 | 240·8 | 41 |
| 1981 *M* | 217·8 | 215·1 | 210·7[5] | *12·6* | 203·0[5] | 212·4[5] | 211·6[5] | *12·9* | .. | .. | 47 |
| *A* | 221·3 | 218·0 | 216·8 | *12·0* | 205·7 | 219·7 | 217·7 | *12·3* | .. | .. | 46 |
| *M* | 226·1 | 219·2 | 218·2 | *11·7* | 207·6 | 220·9 | 218·9 | *11·7* | .. | .. | 46 |
| *J* | 229·9 | 221·1 | 219·4 | *11·3* | 210·1 | 221·9 | 220·1 | *11·3* | .. | .. | 46 |
| *J* | 233·0 | 222·2 | 220·4 | *10·9* | 209·8 | 223·2 | 221·2 | *11·0* | .. | .. | 45 |
| *A* | 236·8 | 224·1 | 222·0 | *11·5* | 208·0 | 225·6 | 223·4 | *11·5* | .. | .. | 45 |
| *S* | 237·9 | 225·9 | 223·3 | *11·4* | 209·8 | 226·8 | 224·5 | *11·4* | .. | .. | 45 |
| *O* | 238·2 | 227·8 | 225·3 | *11·7* | 212·1 | 228·8 | 226·3 | *11·5* | .. | .. | 44 |
| *N* | 236·9 | 229·4 | 227·7 | *12·0* | 214·2 | 231·3 | 228·6 | *11·8* | .. | .. | 44 |
| *D* | 236·8 | 230·4 | 229·1 | *12·0* | 216·4 | 232·4 | 229·8 | *11·8* | .. | .. | 44 |
| 1982 *J* | 238·9 | 232·9 | 230·4 | *12·0* | 222·1 | 232·5 | 230·6 | *11·5* | .. | .. | 43 |
| *F* | 240·1 | 234·4 | 230·5 | *11·0* | 223·0 | 232·4 | 230·6 | *10·6* | .. | .. | 43 |
| *M* | 235·7 | 235·5 | 232·5 | *10·4* | 224·9 | 234·4 | 232·5 | *9·9* | .. | .. | 43 |
| *A* | 239·2 | 237·0 | 237·2 | *9·4* | 227·0 | 239·8 | 237·0 | *8·9* | .. | .. | 42 |
| *M* | 237·7 | 238·3 | 238·9 | *9·5* | 229·3 | 241·4 | 238·3 | *8·9* | .. | .. | 42 |
| *J* | 243·2 | 239·2 | 239·5 | *9·2* | 228·1 | 242·6 | 239·4 | *8·8* | .. | .. | 42 |
| *J* | 245·0 | 241·0 | 239·6 | *8·7* | 224·7 | 243·5 | 240·3 | *8·6* | .. | .. | 42 |
| *A* | 244·1 | 241·7 | 239·7 | *8·0* | 221·7 | 244·4 | 241·2 | *8·0* | .. | .. | 42 |
| *S* | 245·6 | 243·2 | 239·5 | *7·3* | 222·0 | 244·1 | 241·2 | *7·5* | .. | .. | 42 |
| *O* | 246·9 | 245·1 | 240·7 | *6·8* | 222·4 | 245·5 | 242·5 | *7·2* | .. | .. | 41 |
| *N* | 252·6 | 246·5 | 241·9 | *6·3* | 224·2 | 246·6 | 243·7 | *6·6* | .. | .. | 41 |
| *D* | 255·6 | 248·8 | 241·5 | *5·4* | 225·1 | 245·8 | 243·1 | *5·8* | .. | .. | 41 |
| 1983 *J* | 261·1 | 250·1[6] | 241·8 | *4·9* | 226·4 | 245·8 | 243·2 | *5·5* | .. | .. | 41 |
| *F* | 259·2[6] | 251·1[6] | 242·8 | *5·3* | 226·6 | 247·0 | 244·1 | *5·8* | .. | .. | 41 |

[1] All items except housing.
[2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices.
[5] Estimated.
[6] Provisional.

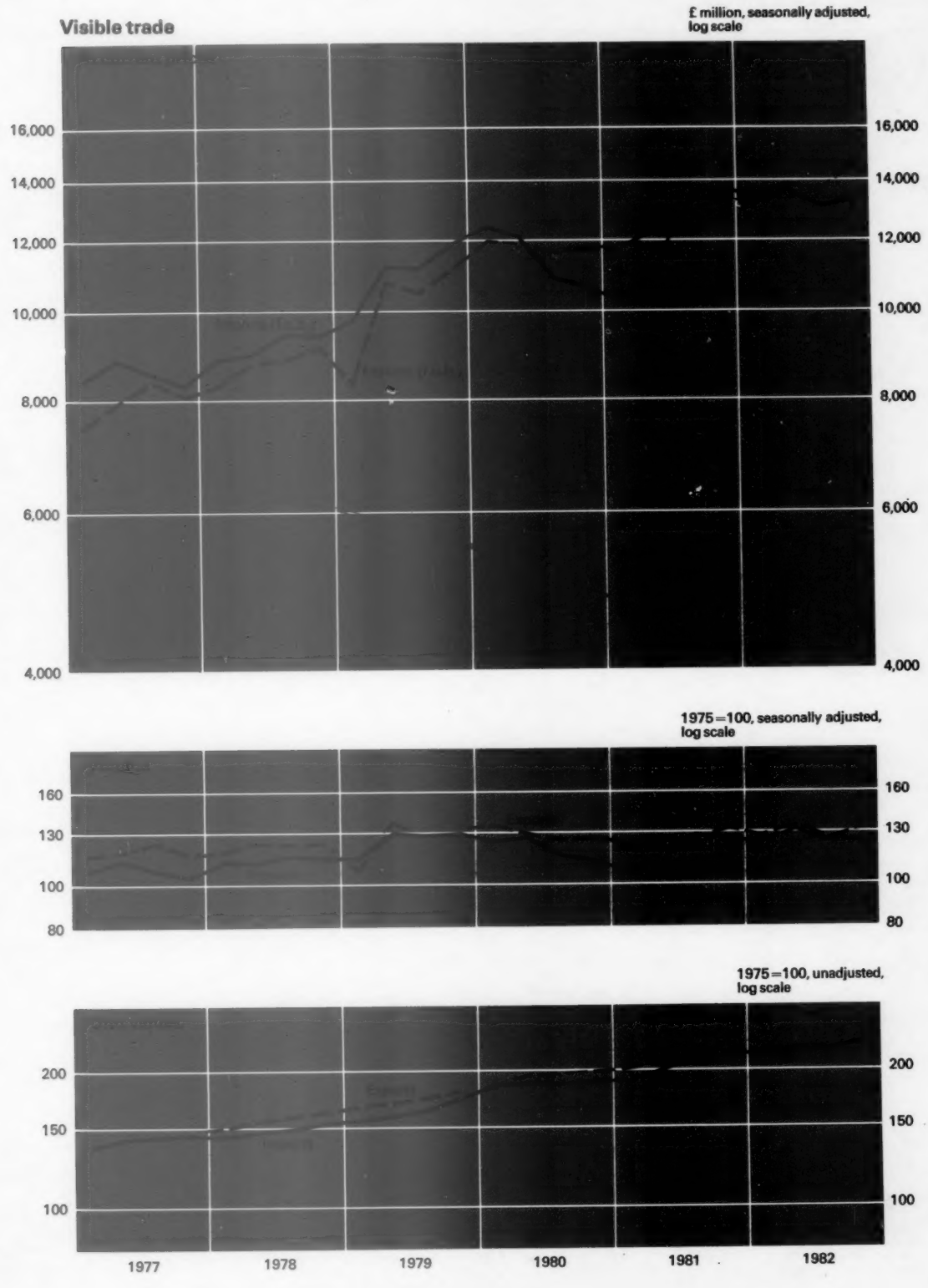

Prices
Average 1975 = 100, log scale
300
280
260
240
220
200
180
160
140
120
1977
1978
1979
1980
1981
1982

## Visible trade

| | Seasonally adjusted | | Unadjusted | | | |
|---|---|---|---|---|---|---|
| | 1975 =100 | | 1975 =100 | | | 1975 =100 |
| | Volume indices[1] | | Unit value indices[1] | | | World commodity prices index[3] |
| | Exports | Imports | Exports | Imports | Terms of trade[2] | |
| 1972 | 85·6 | 95·2 | 56·8 | 46·9 | 121·1 | 38 |
| 1973 | 97·2 | 108·4 | 64·0 | 60·0 | 106·8 | 54 |
| 1974 | 104·2 | 109·5 | 81·6 | 87·7 | 93·1 | 99 |
| 1975 | 100·0 | 100·0 | 100·0 | 100·0 | 100·0 | 100 |
| 1976 | 109·9 | 105·8 | 119·6 | 122·2 | 97·9 | 130 |
| 1977 | 118·4 | 107·8† | 141·5 | 141·4 | 100·1 | 149 |
| 1978 | 121·5 | 112·8 | 155·5 | 146·8 | 105·9 | 138 |
| 1979 | 125·7 | 125·6 | 171·7 | 161·6 | 106·3 | 162 |
| 1980 | 127·9 | 118·8 | 192·8 | 186·3 | 103·5 | 214 |
| 1981 | 126·6 | 118·6 | 207·4 | 204·2 | 101·6 | 255 |
| 1982 | 128·9 | 125·8 | 221·8 | 220·5 | 100·6 | 275[5] |
| 1980 *3* | 124·7 | 114·2 | 195·5 | 185·9 | 105·2 | 214 |
| *4* | 125·9 | 110·8 | 196·8 | 187·6 | 104·9 | 215 |
| 1981 *1* | 122·7 | 105·9 | 198·9 | 189·0 | 105·3 | 228 |
| *2* | 125·2 | 114·1 | 203·7 | 199·5 | 102·1 | 249 |
| *3* | 127·6 | 129·5 | 210·7 | 210·3 | 100·2 | 276 |
| *4* | 131·0 | 125·0 | 216·4 | 217·9 | 99·3 | 269 |
| 1982 *1* | 127·5 | 125·5 | 219·0 | 216·4 | 101·2 | 268 |
| *2* | 131·4 | 130·2 | 219·5 | 216·7 | 101·3 | 272 |
| *3* | 125·1 | 123·7 | 222·3 | 221·3 | 100·5 | 277 |
| *4* | 131·4 | 124·0 | 226·2 | 227·7 | 99·3 | 285[5] |
| 1980 *M* | 127·8 | 121·7 | 189·1 | 188·2 | 100·5 | 218 |
| *A* | 126·9 | 131·6 | 190·7 | 186·2 | 102·4 | 218 |
| *M* | 129·3 | 120·9 | 191·0 | 185·9 | 102·7 | 214 |
| *J* | 129·0 | 124·0 | 193·2 | 185·5 | 104·1 | 213 |
| *J* | 129·8 | 118·1 | 194·8 | 185·9 | 104·8 | 213 |
| *A* | 120·8 | 115·8 | 196·1 | 185·5 | 105·7 | 214 |
| *S* | 123·6 | 108·6 | 195·7 | 186·5 | 105·0 | 212 |
| *O* | 125·2 | 109·3 | 197·2 | 188·2 | 104·8 | 211 |
| *N* | 125·6 | 110·1 | 195·7 | 186·0 | 105·2 | 216 |
| *D* | 127·0 | 113·1 | 197·5 | 188·7 | 104·7 | 218 |
| 1981 *J* | 125·0 | 103·8 | 198·1 | 186·0 | 106·5 | 220 |
| *F* | 120·4 | 109·2 | 198·1 | 188·2 | 105·3 | 227 |
| *M* | 122·8 | 104·7 | 200·4 | 192·7 | 104·0 | 234 |
| *A* | 126·4 | 106·5 | 202·7 | 196·8 | 103·0 | 240 |
| *M* | 123·8 | 117·3 | 203·5 | 198·9 | 102·3 | 248 |
| *J* | 125·3 | 118·5 | 204·9 | 202·9 | 101·0 | 260 |
| *J* | 128·5 | 126·2 | 207·4 | 206·6 | 100·4 | 272 |
| *A* | 126·6 | 137·9 | 211·0 | 209·7 | 100·6 | 280 |
| *S* | 127·7 | 124·3 | 213·7 | 214·6 | 99·6† | 277 |
| *O* | 134·2 | 121·1 | 215·4 | 219·1 | 98·3 | 277 |
| *N* | 128·8 | 131·8 | 216·8 | 217·7 | 99·6 | 265 |
| *D* | 130·1 | 122·1 | 217·1 | 217·1 | 100·0 | 265 |
| 1982 *J* | 120·8 | 125·2 | 218·4 | 215·4 | 101·4 | 266 |
| *F* | 126·8 | 122·7 | 219·0 | 217·2 | 100·8 | 269 |
| *M* | 134·9 | 128·5 | 219·6 | 216·6 | 101·4 | 270 |
| *A* | 133·5 | 131·6 | 218·5 | 215·6 | 101·3 | 273 |
| *M* | 131·1 | 132·5 | 219·3 | 217·3 | 100·9 | 268 |
| *J* | 129·5 | 126·3 | 220·5 | 217·3 | 101·5 | 272 |
| *J* | 126·5 | 123·8 | 221·1 | 219·6 | 100·7 | 276 |
| *A* | 118·3 | 121·1 | 223·0 | 220·6 | 101·1 | 276 |
| *S* | 130·7 | 126·1 | 222·9 | 223·6 | 99·7 | 277 |
| *O* | 126·8 | 125·8 | 224·4 | 227·0 | 98·8 | 279 |
| *N* | 132·4 | 122·5 | 226·0 | 227·3 | 99·4 | 289[4] |
| *D* | 135·0 | 123·8 | 228·2 | 228·9 | 99·7 | 287[5] |
| 1983 *J* | 121·0 | 134·3 | 230·8 | 233·6 | 98·8 | 294[5] |
| *F* | 131·0 | 135·2 | 233·3 | 235·4 | 99·1 | 290[5] |

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[4] Provisional.
[5] Projection by the Department of Industry.

## Visible trade



## Measures of UK competitiveness in trade in manufactures

1975 = 100

| | | Summary measures[1] | | | | | | Export unit value index[2] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Relative export prices[3] | Relative wholesale prices[3] | IMF index of relative unit labour costs[2] Actual | Normalised | Import price competitiveness[4] | Relative profitability of exports[4] | United Kingdom | United States | Japan | France | Federal Republic of Germany |
| 1978 | | 108·6 | 103·5 | 96·1 | 96·2 | 99·6 | 102·9 | 136·2 | 121 | 131 | 121 | 131 |
| 1979 | | 115·7 | 114·8 | 111·9 | 111·5 | 104·6 | 99·8 | 164·1 | 140 | 141 | 141 | 147 |
| 1980 | | 129·4 | 131·5 | 139·9 | 136·9 | 108·6 | 97·2 | 200·6 | 153 | 150 | 157 | 156 |
| 1981 | | 127·4 | 133·7 | 141·8 | 145·6 | 112·3 | 97·5 | 187·4 | 172 | 159 | 136 | 133 |
| 1982 | | | | | | 111·6† | 97·7 | 174·4 | 182 | | 130 | |
| 1980 | 2 | 127·0 | 129·6 | 135·8 | 132·2 | 109·7 | 97·3 | 195·5 | 149 | 150 | 156 | 155 |
| | 3 | 128·4 | 133·1 | 142·4 | 140·8 | 110·7 | 97·3 | 208·2 | 155 | 152 | 163 | 160 |
| | 4 | 134·8 | 137·7 | 151·8 | 150·8 | 111·6 | 96·6 | 210·2 | 161 | 159 | 155 | 152 |
| 1981 | 1 | 136·3 | 141·4 | 154·8 | 156·4 | 114·7 | 96·2 | 205·9 | 165 | 165 | 144 | 140 |
| | 2 | 131·0 | 138·0 | 145·0 | 148·4 | 113·9 | 96·8 | 189·8 | 169 | 159 | 134 | 130 |
| | 3 | 121·4 | 128·0 | 135·0 | 139·7 | 111·9 | 97·9 | 172·7 | 174 | 154 | 132 | 124 |
| | 4 | 120·9 | 127·5 | 132·7 | 137·7 | 109·2 | 98·8 | 181·5 | 179 | 161 | 136 | 137 |
| 1982 | 1 | 122·2 | 130·5 | 134·7 | 141·2 | 112·2 | 98·1 | 181·4 | 183 | 158 | 136 | 133 |
| | 2 | 119·4 | 130·2 | 133·1 | 141·5 | 111·6 | 97·2 | 175·5 | 182 | 154 | 135 | 135 |
| | 3 | 121·1 | 132·4 | 132·3 | 144·9 | 111·6 | 97·6 | 172·8 | 181 | 148 | 124 | 125 |
| | 4 | | | | | 111·0† | 97·8 | 167·7 | 183 | | 126 | |
| | | *Percentage change, quarter on corresponding quarter of previous year.* | | | | | | | | | | |
| 1980 | 2 | *+10·4* | *+14·2* | *+25·7* | *+19·6* | *+ 5·0* | *– 2·6* | *+23·7* | *+ 7* | *+ 7* | *+15* | *+11* |
| | 3 | *+ 6·9* | *+ 9·5* | *+20·4* | *+20·9* | *+ 2·5* | *– 1·5* | *+20·1* | *+10* | *+ 5* | *+13* | *+ 8* |
| | 4 | *+15·0* | *+16·3* | *+27·7* | *+28·2* | *+ 6·1* | *– 1·3* | *+21·6* | *+11* | *+13* | *+ 4* | *– 2* |
| 1981 | 1 | *+ 9·8* | *+12·6* | *+19·4* | *+26·1* | *+11·6* | *– 1·4* | *+ 9·3* | *+13* | *+16* | *– 6* | *–11* |
| | 2 | *+ 3·1* | *+ 6·5* | *+ 6·8* | *+12·3* | *+ 3·8* | *– 0·5* | *– 2·9* | *+13* | *+ 6* | *–14* | *–16* |
| | 3 | *– 5·5* | *– 3·8* | *– 5·2* | *– 0·8* | *+ 1·1* | *+ 0·6* | *–17·1* | *+12* | *+ 1* | *–19* | *–22* |
| | 4 | *–10·3* | *– 7·4* | *–12·6* | *– 8·7* | *– 2·2* | *+ 2·3* | *–13·7* | *+11* | *+ 1* | *–12* | *–10* |
| 1982 | 1 | *–10·3* | *– 7·7* | *–13·0* | *– 9·7* | *– 2·2* | *+ 2·0* | *–11·9* | *+11* | *– 4* | *– 6* | *– 5* |
| | 2 | *– 8·9* | *– 5·7* | *– 8·2* | *– 4·6* | *– 2·0* | *+ 0·4* | *– 7·5* | *+ 8* | *– 3* | *+ 7* | *+ 4* |
| | 3 | *+ 0·2* | *+ 3·4* | *– 2·0* | *+ 3·7* | *– 0·3* | *– 0·3* | *+ 0·1* | *+ 4* | *– 4* | *– 6* | *+ 1* |
| | 4 | | | | | *+ 1·6* | *– 1·0* | *– 7·6* | *+ 2* | | *– 7* | |

| | | Wholesale price index[2] | | | | | Unit labour costs index[2] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | United Kingdom | United States | Japan | France | Federal Republic of Germany | United Kingdom[5] | United States | Japan | France[6] | Federal Republic of Germany |
| 1977 | | 110·8 | 111·1 | 117·8 | 100·6 | 112·8 | 94 | 107 | 115 | 99 | 110 |
| 1978 | | 132·8 | 119·4 | 148·5 | 119·8 | 132·0 | 117 | 114 | 144 | 116 | 130 |
| 1979 | | 164·9 | 133·8 | 150·2 | 141·2 | 151·4 | 148 | 122 | 135 | 134 | 146 |
| 1980 | | 210·2 | 152·8 | 166·6 | 165·2 | 164·1 | 199 | 137 | 131 | 153 | 158 |
| 1981 | | 202·0 | 167·0 | 172·6 | 145·2 | 142·4 | 189 | 146 | 140 | 133† | 134 |
| 1982 | | | | | | | 172 | 160 | | | |
| 1980 | 1 | 194·7 | 147·4 | 149·3 | 160·1 | 164·5 | 176 | 130 | 118 | 146 | 155 |
| | 2 | 205·2 | 151·1 | 162·9 | 163·6 | 164·4 | 191 | 137 | 126 | 152 | 156 |
| | 3 | 218·8 | 154·8 | 173·7 | 172·0 | 169·0 | 212 | 141 | 138 | 161† | 165 |
| | 4 | 221·9 | 158·0 | 180·5 | 165·0 | 159·0 | 219 | 140 | 144 | 155 | 157 |
| 1981 | 1 | 221·3 | 163·1 | 182·9 | 154·4 | 149·2 | 214 | 142 | 147 | 144 | 140 |
| | 2 | 206·1 | 167·1 | 172·1 | 142·4 | 140·0 | 191 | 144 | 142 | 130 | 133 |
| | 3 | 185·7 | 168·5 | 165·0 | 138·3 | 133·7 | 172 | 147 | 133 | 125 | 125 |
| | 4 | 194·9 | 169·4 | 170·6 | 145·7 | 146·8 | 178 | 153 | 136 | 132 | 137 |
| 1982 | 1 | 195·3 | 170·6 | 164·2 | 141·3 | 142·8 | 177 | 158 | 133 | 128 | 129 |
| | 2 | 191·3 | 170·5 | 156·9 | 138·8 | 142·3 | 173 | 160 | 133 | 123 | 128 |
| | 3 | 188·4 | 171·7 | 148·6 | 127·6 | 137·6 | 171 | 160 | 124 | 119 | 128 |
| | 4 | | | | | | 167 | 161 | | | |
| | | *Percentage change, quarter on corresponding quarter of previous year.* | | | | | | | | | |
| 1980 | 1 | *+32·4* | *+16·0* | *– 3·6* | *+19·6* | *+13·0* | *+30* | *+9* | *–20* | *+11* | *+ 7* |
| | 2 | *+30·1* | *+15·0* | *+10·2* | *+21·8* | *+13·1* | *+37* | *+12* | *– 7* | *+17* | *+12* |
| | 3 | *+23·1* | *+14·0* | *+13·5* | *+19·2* | *+ 9·7* | *+34* | *+15* | *+ 3* | *+19* | *+13* |
| | 4 | *+25·3* | *+12·3* | *+24·5* | *+ 8·3* | *– 0·9* | *+36* | *+12* | *+18* | *+ 9* | *+ 3* |
| 1981 | 1 | *+13·7* | *+10·7* | *+22·5* | *– 3·6* | *– 9·3* | *+22* | *+ 9* | *+25* | *– 1* | *–10* |
| | 2 | *+ 0·4* | *+10·6* | *+ 5·6* | *–13·0* | *–14·8* | *– 1* | *+ 5* | *+13* | *–14* | *–15* |
| | 3 | *–15·1* | *+ 8·9* | *– 5·0* | *–19·6* | *–20·9* | *–19* | *+ 4* | *– 4* | *–22* | *–24* |
| | 4 | *–12·2* | *+ 7·2* | *– 5·5* | *–11·7* | *– 7·7* | *–19* | *+ 9* | *– 6* | *–15* | *–13* |
| 1982 | 1 | *–11·7* | *+ 4·6* | *–10·2* | *– 8·5* | *– 4·3* | *–17* | *+11* | *–10* | *–12* | *– 9* |
| | 2 | *– 7·2* | *+ 2·0* | *– 8·8* | *– 2·5* | *+ 1·6* | *– 9* | *+11* | *– 6* | *– 5* | *– 4* |
| | 3 | *+ 1·5* | *+ 1·9* | *– 9·9* | *– 7·7* | *+ 2·9* | *– 1* | *+ 9* | *– 7* | *– 5* | *+ 2* |
| | 4 | | | | | | *– 6* | *+ 5* | | | |

[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in *Economic Trends*, No. 319, May 1980 – see footnote [3].

[2] All the indices are in terms of US dollars.

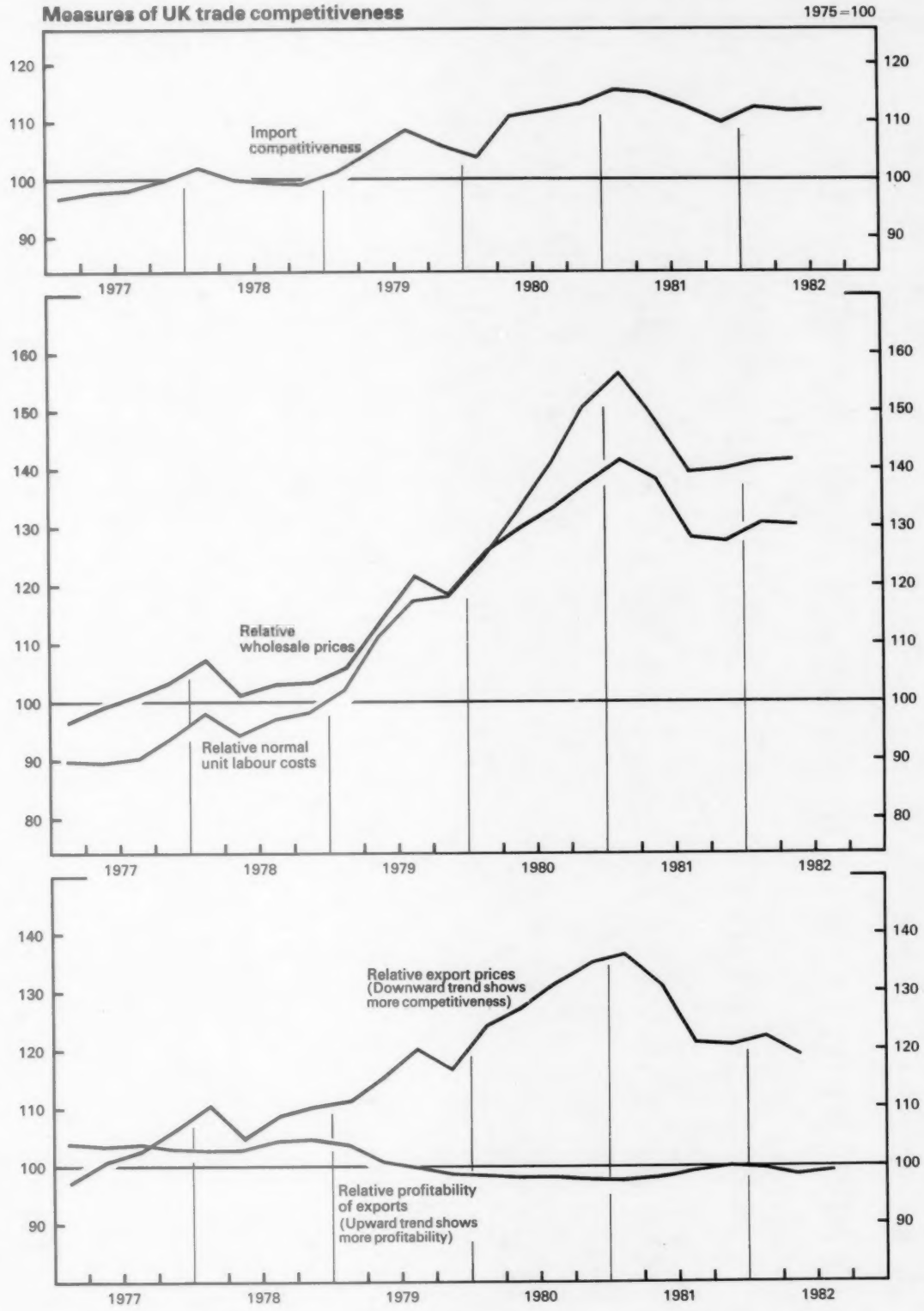
[3] Figures are now base weighted using 1975 export data. Downwards movements indicate greater competitiveness.

[4] Excludes erratics (ships, North Sea installations, aircraft and precious stones).

[5] See footnote [3] to page 40.

[6] Revised – data now from IMF.

**Measures of UK trade competitiveness**



## Balance of payments: current account

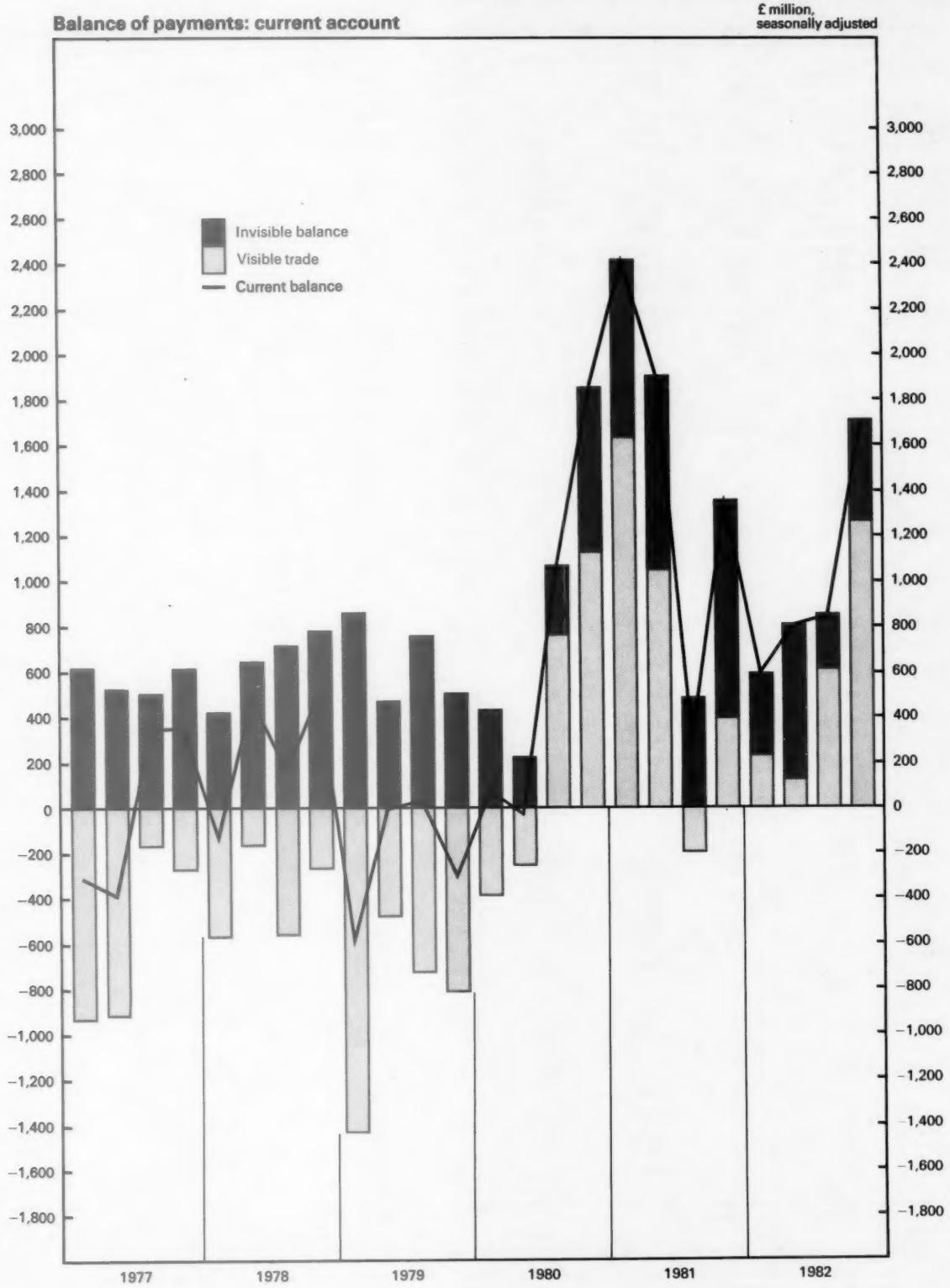
£ million, seasonally adjusted

| | Visible trade | | | Invisibles | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Balance | | | | |
| | Exports (f.o.b.) | Imports (f.o.b.) | Balance | Credits | Debits | Total | Services | IPD | Transfers | Current balance |
| 1971 | 9043 | 8853 | + 190 | 5697 | 4763 | + 934 | + 625 | + 502 | − 193 | +1124 |
| 1972 | 9437 | 10185 | − 748 | 6300 | 5305 | + 995 | + 701 | + 538 | − 244 | + 247 |
| 1973 | 11937 | 14523 | −2586 | 8506 | 6901 | +1605 | + 786 | +1257 | − 438 | − 981 |
| 1974 | 16394 | 21745 | −5351 | 10511 | 8433 | +2078 | +1083 | +1415 | − 420 | −3273 |
| 1975 | 19330 | 22663 | −3333 | 11467 | 9655 | +1812 | +1519 | + 773 | − 480 | −1521 |
| 1976 | 25191 | 29120 | −3929 | 15006 | 11952 | +3054 | +2449 | +1365 | − 760 | − 875 |
| 1977 | 31728 | 34012 | −2284 | 16798 | 14536 | +2262 | +3259 | + 118 | −1115 | − 22 |
| 1978 | 35063 | 36605 | −1542 | 19024 | 16464 | +2560 | +3722 | + 615 | −1777 | +1018 |
| 1979 | 40687 | 44136 | −3449 | 23663 | 21067 | +2596 | +3958 | + 892 | −2254 | − 853 |
| 1980 | 47415 | 46182 | +1233 | 25782 | 24086 | +1696 | +4076 | − 273 | −2107 | +2929 |
| 1981 | 50977 | 48107 | +2870 | 29267 | 26176 | +3091 | +4061 | +1011 | −1981 | +5961 |
| 1982 | 55545 | 53317 | +2228 | 30627 | 28907 | +1720 | +3701 | + 237 | −2218 | +3948 |
| 1977 *1* | 7437 | 8370 | − 933 | 4085 | 3469 | + 616 | + 737 | + 124 | − 245 | − 317 |
| *2* | 7914 | 8831 | − 917 | 4141 | 3616 | + 525 | + 816 | − 11 | − 280 | − 392 |
| *3* | 8354 | 8520 | − 166 | 4268 | 3762 | + 506 | + 838 | − 11 | − 321 | + 340 |
| *4* | 8023 | 8291 | − 268 | 4304 | 3689 | + 615 | + 868 | + 16 | − 269 | + 347 |
| 1978 *1* | 8282 | 8844 | − 562 | 4439 | 4020 | + 419 | + 892 | + 63 | − 536 | − 143 |
| *2* | 8790 | 8949 | − 159 | 4627 | 3983 | + 644 | + 816 | + 224 | − 396 | + 485 |
| *3* | 8854 | 9411 | − 557 | 4916 | 4199 | + 717 | +1004 | + 180 | − 467 | + 160 |
| *4* | 9137 | 9401 | − 264 | 5042 | 4262 | + 780 | +1010 | + 148 | − 378 | + 516 |
| 1979 *1* | 8313 | 9746 | −1433 | 5522 | 4660 | + 862 | + 993 | + 382 | − 513 | − 571 |
| *2* | 10759 | 11238 | − 479 | 5622 | 5149 | + 473 | + 922 | + 62 | − 511 | − 6 |
| *3* | 10497 | 11220 | − 723 | 6187 | 5430 | + 757 | +1019 | + 349 | − 611 | + 34 |
| *4* | 11118 | 11932 | − 814 | 6332 | 5828 | + 504 | +1024 | + 99 | − 619 | − 310 |
| 1980 *1* | 11997 | 12394 | − 397 | 6535 | 6101 | + 434 | +1060 | − 155 | − 471 | + 37 |
| *2* | 11914 | 12166 | − 252 | 6521 | 6295 | + 226 | +1026 | − 169 | − 631 | − 26 |
| *3* | 11692 | 10931 | + 761 | 6177 | 5870 | + 307 | + 948 | − 45 | − 596 | +1068 |
| *4* | 11812 | 10691 | +1121 | 6549 | 5820 | + 729 | +1042 | + 96 | − 409 | +1850 |
| 1981 *1* | 11854 | 10223 | +1631 | 6843 | 6063 | + 780 | +1090 | + 203 | − 513 | +2411 |
| *2* | 12229 | 11183 | +1046 | 6998 | 6140 | + 858 | +1032 | + 384 | − 558 | +1904 |
| *3* | 13142 | 13342 | − 200 | 7380 | 6886 | + 494 | + 964 | + 179 | − 649 | + 294 |
| *4* | 13752 | 13359 | + 393 | 8046 | 7087 | + 959 | + 975 | + 245 | − 261 | +1352 |
| 1982 *1* | 13470 | 13236 | + 234 | 7365 | 7010 | + 355 | +1046 | − 173 | − 518 | + 589 |
| *2* | 13787 | 13664 | + 123 | 7830 | 7150 | + 680 | + 972 | + 394 | − 686 | + 803 |
| *3* | 13702 | 13093 | + 609 | 7594 | 7356 | + 238 | + 740 | + 77 | − 579 | + 847 |
| *4* | 14586 | 13324 | +1262 | 7838 | 7391 | + 447 | + 943 | − 61 | − 435 | +1709 |
| 1981 *J* | 4036† | 3353† | + 683† | .. | .. | + 260[1] | .. | .. | .. | + 943† |
| *F* | 3851 | 3515 | + 336 | .. | .. | + 260[1] | .. | .. | .. | + 596 |
| *M* | 3967 | 3355 | + 612 | .. | .. | + 260[1] | .. | .. | .. | + 872 |
| *A* | 4074 | 3472 | + 602 | .. | .. | + 286[1] | .. | .. | .. | + 888 |
| *M* | 4024 | 3774 | + 250 | .. | .. | + 286[1] | .. | .. | .. | + 536 |
| *J* | 4131 | 3937 | + 194 | .. | .. | + 286[1] | .. | .. | .. | + 480 |
| *J* | 4302 | 4304 | − 2 | .. | .. | + 165[1] | .. | .. | .. | + 163 |
| *A* | 4392 | 4700 | − 308 | .. | .. | + 164[1] | .. | .. | .. | − 144 |
| *S* | 4448 | 4338 | + 110 | .. | .. | + 165[1] | .. | .. | .. | + 275 |
| *O* | 4600 | 4278 | + 322 | .. | .. | + 319[1] | .. | .. | .. | + 641 |
| *N* | 4512 | 4681 | − 169 | .. | .. | + 320[1] | .. | .. | .. | + 151 |
| *D* | 4640 | 4400 | + 240 | .. | .. | + 320[1] | .. | .. | .. | + 560 |
| 1982 *J* | 4312 | 4455 | − 143 | .. | .. | + 118[1] | .. | .. | .. | − 25 |
| *F* | 4496 | 4326 | + 170 | .. | .. | + 119[1] | .. | .. | .. | + 289 |
| *M* | 4662 | 4455 | + 207 | .. | .. | + 118[1] | .. | .. | .. | + 325 |
| *A* | 4681 | 4561 | + 120 | .. | .. | + 227[1] | .. | .. | .. | + 347 |
| *M* | 4553 | 4630 | − 77 | .. | .. | + 226[1] | .. | .. | .. | + 149 |
| *J* | 4553 | 4473 | + 80 | .. | .. | + 227[1] | .. | .. | .. | + 307 |
| *J* | 4555 | 4362 | + 193 | .. | .. | + 79[1] | .. | .. | .. | + 272 |
| *A* | 4390 | 4299 | + 91 | .. | .. | + 80[1] | .. | .. | .. | + 171 |
| *S* | 4757 | 4432 | + 325 | .. | .. | + 79[1] | .. | .. | .. | + 404 |
| *O* | 4674 | 4459 | + 215 | .. | .. | + 149[1] | .. | .. | .. | + 364 |
| *N* | 4894 | 4355 | + 539 | .. | .. | + 149[1] | .. | .. | .. | + 688 |
| *D* | 5018 | 4510 | + 508 | .. | .. | + 149[1] | .. | .. | .. | + 657 |
| 1983 *J* | 4585 | 5076 | − 491 | .. | .. | + 230[2] | .. | .. | .. | − 261 |

[1] One third of the appropriate calendar quarter's estimate; monthly figures of invisibles are not available.

[2] This figure is one third of a quarterly projection and is subject to revision as the relevant statistical information becomes available.

## Balance of payments: current account



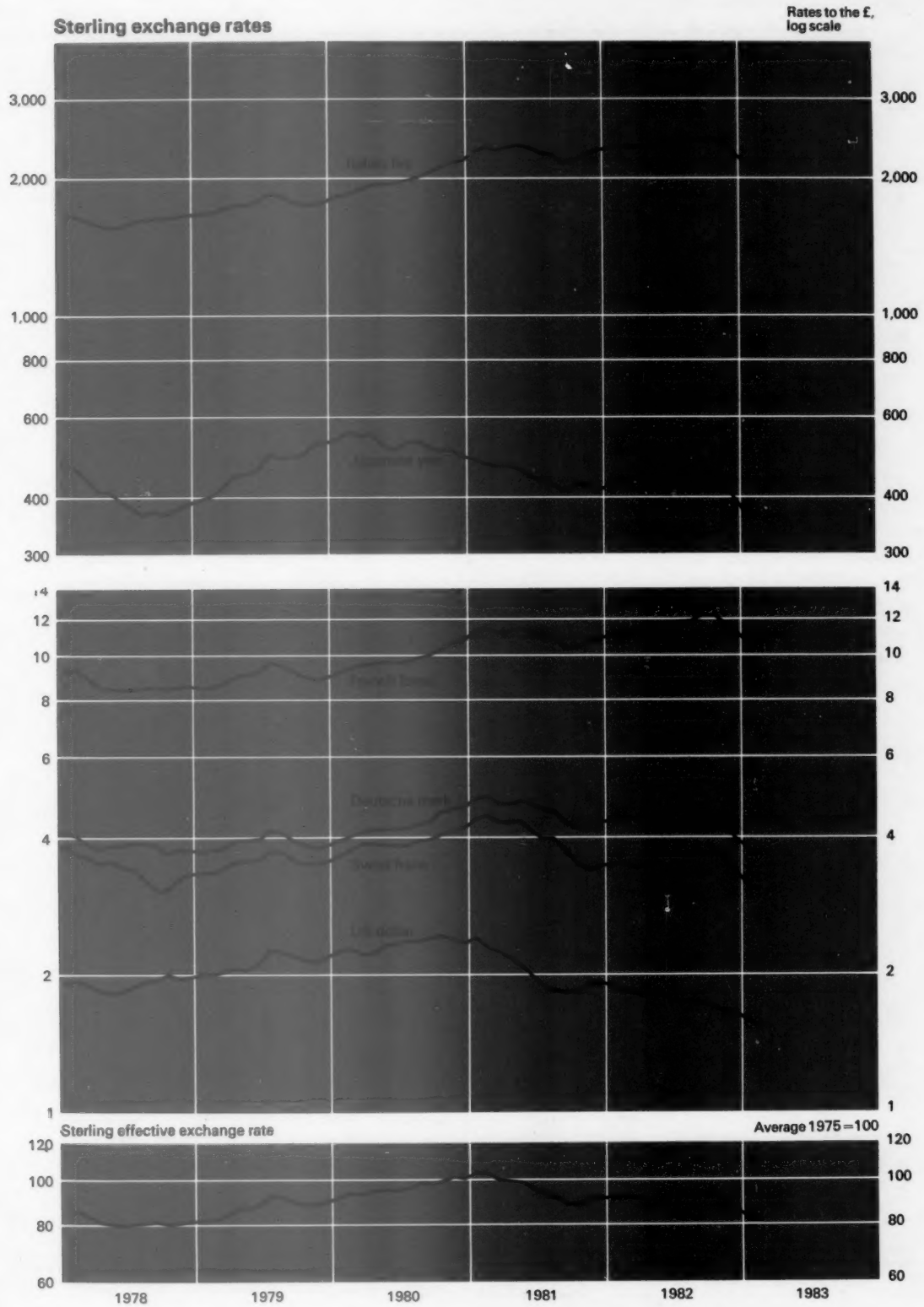

* See footnote [1], on page 48.

## Sterling exchange rates and UK official reserves

| | | Sterling exchange rate against major currencies[1] | | | | | | $ million | Average 1975 = 100 |
|---|---|---|---|---|---|---|---|---|---|
| | | Japanese yen | US dollar | Swiss franc | French franc | Italian lira | Deutsche-mark | UK official reserves[2] (at end of period) | Sterling effective exchange rate |
| 1973 | | 664·6 | 2·453 | 7·758 | 10·90 | 1,426 | 6·540 | 6,476 | 111·8 |
| 1974 | | 682·7 | 2·340 | 6·965 | 11·25 | 1,522 | 6·049 | 6,789 | 108·3 |
| 1975 | | 658·1 | 2·220 | 5·723 | 9·50 | 1,447 | 5·447 | 5,429 | 100·0 |
| 1976 | | 535·4 | 1·805 | 4·521 | 8·61 | 1,497 | 4·552 | 4,129 | 85·7 |
| 1977 | | 467·7 | 1·746 | 4·189 | 8·57 | 1,540 | 4·060 | 20,557 | 81·2 |
| 1978 | | 402·7 | 1·920 | 3·423 | 8·64 | 1,628 | 3·850 | 15,694 | 81·5 |
| 1979 | | 465·6 | 2·122 | 3·525 | 9·03 | 1,762 | 3·887 | 22,538 | 87·3 |
| 1980 | | 525·6 | 2·328 | 3·894 | 9·82 | 1,992 | 4·227 | 27,476 | 96·1 |
| 1981 | | 444·6 | 2·025 | 3·969 | 10·94 | 2,287 | 4·556 | 23,347 | 95·3 |
| 1982 | | 435·2 | 1·749 | 3·547 | 11·48 | 2,364 | 4·243 | 16,997 | 90·7 |
| 1980 | *1* | 548·5 | 2·254 | 3·740 | 9·34 | 1,857 | 3·995 | 26,963 | 93·0 |
| | *2* | 528·6 | 2·286 | 3·833 | 9·61 | 1,942 | 4·132 | 28,172 | 94·5 |
| | *3* | 523·2 | 2·382 | 3·885 | 9·81 | 2,008 | 4·226 | 27,637 | 96·7 |
| | *4* | 502·2 | 2·387 | 4·115 | 10·53 | 2,159 | 4·551 | 27,476 | 100·2 |
| 1981 | *1* | 474·7 | 2·309 | 4·376 | 11·21 | 2,311 | 4·814 | 28,212 | 101·8 |
| | *2* | 456·5 | 2·077 | 4·024 | 11·25 | 2,354 | 4·728 | 25,631 | 97·8 |
| | *3* | 425·7 | 1·839 | 3·852 | 10·66 | 2,234 | 4·469 | 23,696 | 90·6 |
| | *4* | 422·6 | 1·883 | 3·441 | 10·64 | 2,253 | 4·226 | 23,347 | 89·7 |
| 1982 | *1* | 431·7 | 1·845 | 3·459 | 11·07 | 2,331 | 4·331 | 18,969 | 91·2 |
| | *2* | 434·3 | 1·779 | 3·548 | 11·18 | 2,350 | 4·232 | 17,703 | 90·3 |
| | *3* | 446·4 | 1·725 | 3·644 | 11·98 | 2,404 | 4·280 | 18,299 | 91·5 |
| | *4* | 428·2 | 1·650 | 3·532 | 11·68 | 2,369 | 4·129 | 16,997 | 89·1 |
| 1980 | *M* | 548·2 | 2·208 | 3·865 | 9·51 | 1,896 | 4·081 | 26,963 | 93·5 |
| | *A* | 552·2 | 2·216 | 3·855 | 9·60 | 1,934 | 4·142 | 28,008 | 94·3 |
| | *M* | 525·4 | 2·304 | 3·830 | 9·63 | 1,942 | 4·125 | 28,284 | 94·7 |
| | *J* | 509·2 | 2·336 | 3·815 | 9·60 | 1,951 | 4·128 | 28,172 | 94·5 |
| | *J* | 524·3 | 2·373 | 3·812 | 9·62 | 1,973 | 4·145 | 28,272 | 95·6 |
| | *A* | 530·8 | 2·371 | 3·914 | 9·83 | 2,008 | 4·242 | 28,291 | 96·8 |
| | *S* | 515·1 | 2·402 | 3·936 | 9·99 | 2,045 | 4·297 | 27,637 | 97·6 |
| | *O* | 505·7 | 2·417 | 4·011 | 10·28 | 2,111 | 4·533 | 28,026 | 99·2 |
| | *N* | 510·1 | 2·396 | 4·135 | 10·63 | 2,177 | 4·593 | 28,189 | 101·1 |
| | *D* | 491·1 | 2·346 | 4·184 | 10·70 | 2,194 | 4·620 | 27,476 | 100·2 |
| 1981 | *J* | 485·9 | 2·405 | 4·376 | 11·16 | 2,289 | 4·829 | 28,394 | 103·2 |
| | *F* | 471·8 | 2·294 | 4·469 | 11·42 | 2,343 | 4·921 | 28,434 | 102·5 |
| | *M* | 466·6 | 2·233 | 4·292 | 11·09 | 2,303 | 4·703 | 28,212 | 99·7 |
| | *A* | 467·9 | 2·179 | 4·292 | 11·13 | 2,345 | 4·707 | 28,066 | 99·2 |
| | *M* | 461·0 | 2·090 | 4·312 | 11·47 | 2,386 | 4·793 | 26,487 | 98·8 |
| | *J* | 442·3 | 1·974 | 4·090 | 11·16 | 2,333 | 4·691 | 25,631 | 95·4 |
| | *J* | 435·2 | 1·876 | 3·932 | 10·87 | 2,278 | 4·577 | 24,568 | 92·5 |
| | *A* | 425·2 | 1·821 | 3·953 | 10·89 | 2,267 | 4·558 | 24,511 | 91·2 |
| | *S* | 416·8 | 1·817 | 3·680 | 10·25 | 2,159 | 4·279 | 23,696 | 88·1 |
| | *O* | 426·4 | 1·843 | 3·467 | 10·36 | 2,196 | 4·145 | 23,316 | 88·2 |
| | *N* | 424·8 | 1·904 | 3·398 | 10·69 | 2,267 | 4·237 | 23,463 | 90·1 |
| | *D* | 416·5 | 1·905 | 3·458 | 10·89 | 2,300 | 4·301 | 23,347 | 90·7 |
| 1982 | *J* | 423·8 | 1·887 | 3·477 | 10·99 | 2,317 | 4·326 | 23,225 | 91·2 |
| | *F* | 435·1 | 1·847 | 3·497 | 11·12 | 2,338 | 4·372 | 23,373 | 91·5 |
| | *M* | 435·6 | 1·807 | 3·411 | 11·10 | 2,337 | 4·299 | 18,969 | 90·8 |
| | *A* | 431·9 | 1·772 | 3·472 | 11·05 | 2,339 | 4·242 | 18,159 | 90·0 |
| | *M* | 428·8 | 1·812 | 3·528 | 10·89 | 2,321 | 4·183 | 17,820 | 89·9 |
| | *J* | 441·2 | 1·758 | 3·635 | 11·54 | 2,385 | 4·265 | 17,703 | 90·9 |
| | *J* | 442·1 | 1·735 | 3·635 | 11·89 | 2,397 | 4·277 | 17,943 | 91·2 |
| | *A* | 446·6 | 1·727 | 3·635 | 11·94 | 2,400 | 4·276 | 18,113 | 91·5 |
| | *S* | 450·4 | 1·714 | 3·662 | 12·11 | 2,415 | 4·288 | 18,299 | 91·7 |
| | *O* | 460·1 | 1·698 | 3·683 | 12·13 | 2,442 | 4·293 | 18,493 | 92·5 |
| | *N* | 432·0 | 1·633 | 3·586 | 11·79 | 2,400 | 4·173 | 18,006 | 89·5 |
| | *D* | 392·4 | 1·619 | 3·324 | 11·11 | 2,265 | 3·919 | 16,997 | 85·4 |
| 1983 | *J* | 366·0 | 1·573 | 3·093 | 10·68 | 2,162 | 3·759 | 16,854 | 81·9 |
| | *F* | 361·5 | 1·533 | 3·089 | 10·54 | 2,142 | 3·717 | 16,578 | 80·7 |

[1] Average of daily Telegraphic Transfer rates in London.

[2] Apart from transactions, the level of official reserves has been affected, since 1970, by changes in the valuation of gold, Special Drawing Rights and convertible currencies. In addition, from July 1972, the official reserves were redefined to include the reserve position in the IMF. Substantial valuation changes at March 1979 and March 1980 increased the level of reserves by $4,493 million and $3,089 million respectively. Valuation changes at March 1981 and March 1982 reduced the level of reserves by $257 million and $4,218 million respectively. These valuation changes are described in detail in the footnotes of Table 18 of the quarterly balance of payments articles in the March, June, September and December issues of *Economic Trends*.


Sterling exchange rates
Rates to the £, log scale
3,000
2,000
1,000
800
600
400
300
14
12
10
8
6
4
2
1
Sterling effective exchange rate
Average 1975 = 100
120
100
80
60
1978
1979
1980
1981
1982
1983

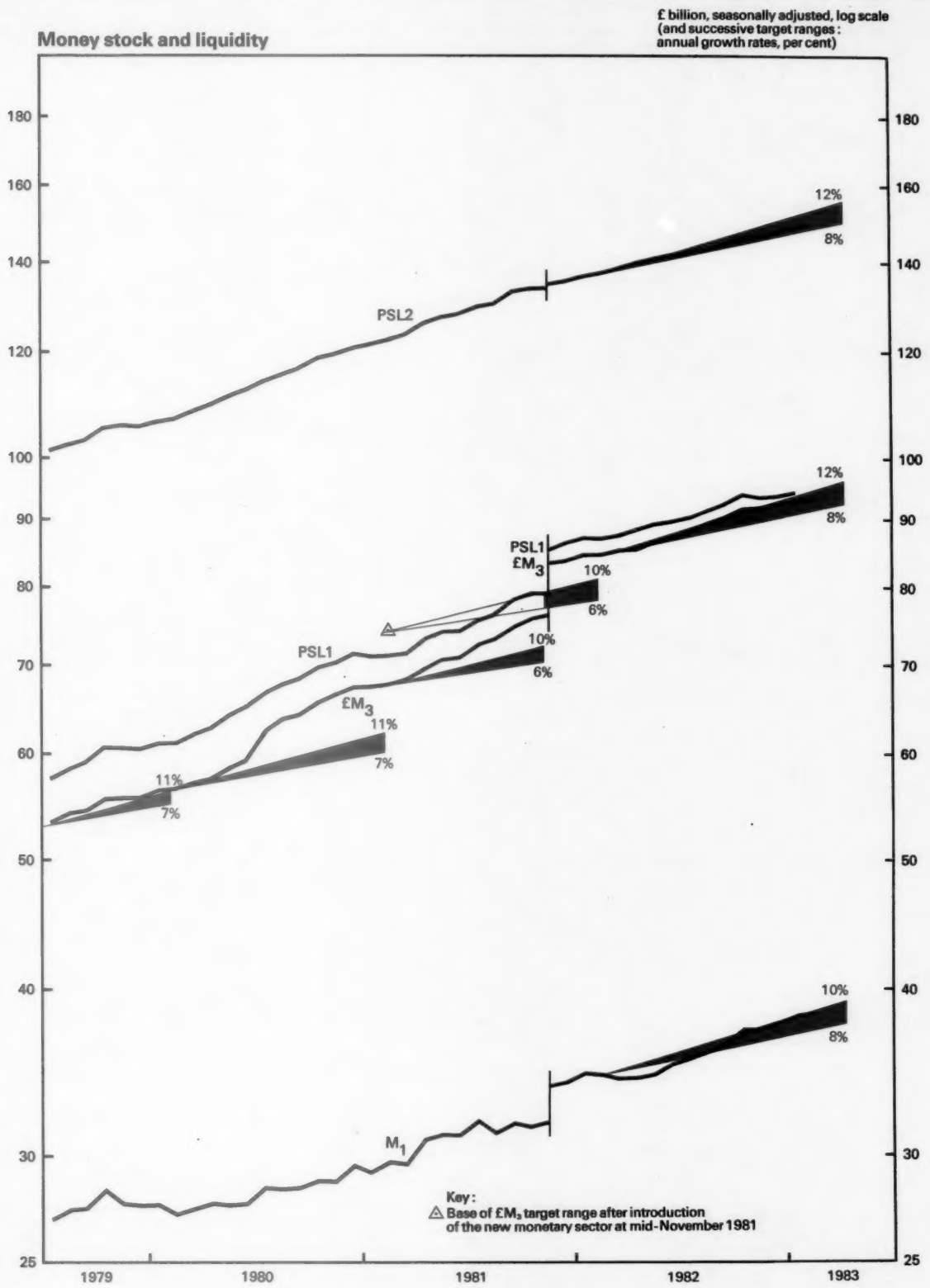
## Money stock and liquidity

£ million, seasonally adjusted

| | M1 | | | Sterling M3 | | | PSL 1 | | | PSL 2 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Amount outstanding | Change | Percentage change | Amount outstanding | Change | Percentage change | Amount outstanding | Change | Percentage change | Amount outstanding | Change | Percentage change |
| **At end period** | | | | | | | | | | | | |
| 1978 *1* | 24360 | 1172 | +5.0 | 46960 | 2274 | +5.1 | 49350 | 2663 | +5.7 | 87045† | 4590† | +5.6 |
| *2* | 25070 | 728 | +3.0 | 48280 | 1324 | +2.8 | 50226 | 882 | +1.8 | 88909 | 1929 | +2.2 |
| *3* | 26030 | 975 | +3.9 | 49320 | 1077 | +2.2 | 51750 | 1558 | +3.1 | 91466 | 2591 | +2.9 |
| *4* | 27000 | 1001 | +3.8 | 51370 | 2097 | +4.3 | 53860 | 2159 | +4.2 | 94746 | 3325 | +3.6 |
| 1979 *1* | 27630 | 652 | +2.4 | 52510 | 1178 | +2.3 | 56263 | 2438 | +4.5 | 98596 | 3885 | +4.1 |
| *2* | 28180 | 558 | +2.0 | 54420 | 1927 | +3.7 | 58682 | 2429 | +4.3 | 102088 | 3502 | +3.6 |
| *3* | 28980 | 809 | +2.9 | 55850 | 1450 | +2.7 | 60531 | 1870 | +3.2 | 104627 | 2568 | +2.5 |
| *4* | 29460 | 492 | +1.7 | 57900 | 2084 | +3.7 | 62605 | 2111 | +3.5 | 107618 | 3028 | +2.9 |
| 1980 *1* | 29370 | − 80 | −0.3 | 59730 | 1845 | +3.2 | 64202 | 1753 | +2.8 | 110610 | 3148 | +2.9 |
| *2* | 30020 | 649 | +2.2 | 62980 | 3237 | +5.4 | 67771† | 3555 | +5.5 | 114835 | 4211 | +3.8 |
| *3* | 29790 | −229 | −0.8 | 65660 | 2681 | +4.3 | 69774 | 2005 | +3.0 | 117904 | 3071 | +2.7 |
| *4* | 30650 | 844 | +2.8 | 68930† | 3286 | +5.0 | 72711 | 2958 | +4.2 | 122113 | 4229 | +3.6 |
| 1981 *1* | 31910 | 1252 | +4.1 | 70480 | 1549 | +2.2 | 73467 | 842 | +1.2 | 125763 | 3543 | +2.9 |
| *2* | 33010† | 1107 | +3.5 | 73400 | 2907 | +4.1 | 76444 | 2964 | +4.0 | 130451 | 4675 | +3.7 |
| *3* | 33370 | 353 | +1.1 | 76350 | 2943 | +4.0 | 79520 | 3072 | +4.0 | 134343 | 3888 | +3.0 |
| *4* | 33500 | | +0.4 | 78070 | 1722 | +2.3 | 81050 | 1517 | +1.9 | 136249 | 1893 | +1.4 |
| | 35680 | 136 | +0.4 | 85620 | | +2.3 | 87711 | | | 136980 | | |
| 1982 *1* | 36580 | 898 | +2.5 | 87990 | 2363 | +2.8 | 90537 | 2917† | +3.3 | 141533 | 4644 | +3.4 |
| *2* | 37510 | 926 | +2.5 | 89820 | 1816 | +2.1 | 92004 | 1448 | +1.6 | 143651 | 2099 | +1.5 |
| *3* | 37960 | 446† | +1.2 | 91090 | 1255† | +1.4 | 93418 | 1415 | +1.5 | 145590 | 1940 | +1.4 |
| *4* | 39920 | 1953 | +5.1 | 94000 | 2893 | +3.2 | 95425 | 1984 | +2.1 | 148973 | 3360 | +2.3 |
| **At mid-month** | | | | | | | | | | | | |
| 1980 *A* | 27620 | 241 | +0.9 | 57580 | 528 | +0.9 | 62866 | 783 | +1.3 | 109547 | 1150 | +1.1 |
| *M* | 27560 | − 59 | −0.2 | 58690 | 1095 | +1.9 | 64302 | 1419 | +2.3 | 111126 | 1562 | +1.4 |
| *J* | 27660 | 98 | +0.4 | 59330 | 621 | +1.1 | 65067 | 731 | +1.1 | 112110 | 950 | +0.9 |
| *J* | 28480 | 800 | +2.9 | 62470 | 3100 | +5.2 | 66789 | 1663 | +2.6 | 114125 | 1956 | +1.7 |
| *A* | 28340 | −150 | −0.5 | 63860 | 1330 | +2.1 | 67708 | 828 | +1.2 | 115294 | 1078 | +0.9 |
| *S* | 28480 | 125 | +0.4 | 64220 | 316 | +0.5 | 68400 | 620 | +0.9 | 116403 | 1037 | +0.9 |
| *O* | 28770 | 272 | +1.0 | 65700 | 1427 | +2.2 | 69962 | 1496 | +2.2 | 118567 | 2098 | +1.8 |
| *N* | 28750 | − 45 | −0.2 | 66530 | 767 | +1.2 | 70443 | 392 | +0.6 | 119426 | 770 | +0.6 |
| *D* | 29520 | 739 | +2.6 | 67380 | 760 | +1.1 | 71474 | 924 | +1.3 | 120796† | 1263 | +1.1 |
| 1981 *J* | 29170 | −377 | −1.3 | 67490 | 23 | — | 71068 | −332 | −0.5 | 121273 | 354 | +0.3 |
| *F* | 29700 | 526 | +1.8 | 67740 | 201 | +0.3 | 71094 | −166 | −0.2 | 122377 | 912 | +0.8 |
| *M* | 29640 | − 64 | −0.2 | 68280 | 494 | +0.7 | 71458 | 306 | +0.4 | 123582 | 1147 | +0.9 |
| *A* | 30880 | 1238 | +4.2 | 69630 | 1331 | +1.9 | 73232 | 1761 | +2.5 | 126024 | 2429 | +2.0 |
| *M* | 31180 | 288 | +0.9 | 70790 | 1140 | +1.6 | 74234 | 981 | +1.3 | 127649 | 1604 | +1.3 |
| *J* | 31110 | − 79 | −0.3 | 70950 | 162 | +0.2 | 74295 | 63 | +0.1 | 128277 | 630 | +0.5 |
| *J* | 31940 | 836 | +2.7 | 72540 | 1599 | +2.3 | 75723 | 1445 | +1.9 | 130153 | 1893 | +1.5 |
| *A* | 31220 | −706 | −2.2 | 73260 | 742 | +1.0 | 76652 | 971 | +1.3 | 131235 | 1124 | +0.9 |
| *S* | 31840 | 625 | +2.0 | 74900 | 1683 | +2.3 | 78337 | 1733 | +2.3 | 133264 | 2077 | +1.6 |
| *O* | 31540 | −287 | −0.9 | 75980 | 1098 | +1.5 | 79131 | 821 | +1.0 | 134270 | 1033 | +0.8 |
| *N*[1] | 31810 | 321 | +1.0 | 76210 | 291 | +0.4 | 79091 | − 8 | — | 134366 | 128 | +0.1 |
| | 33920 | 276 | +0.9 | 83380 | 253 | +0.3 | 85458 | | | 134813 | | |
| *D* | 34040 | 127 | +0.4 | 83820 | 463 | +0.6 | 86084 | 684 | +0.8 | 135495 | 740 | +0.5 |
| 1982 *J* | 34650 | 614 | +1.8 | 84750 | 967 | +1.2 | 87218† | 1198† | +1.4 | 137098 | 1667 | +1.2 |
| *F* | 34580 | − 51 | −0.1 | 84780 | 94 | +0.1 | 87182 | 69 | +0.1 | 137751 | 758 | +0.6 |
| *M* | 34350 | −225 | −0.7 | 85290 | 556 | +0.7 | 87649 | 531 | +0.6 | 138600 | 913 | +0.7 |
| *A* | 34360 | 23 | +0.1 | 85750 | 475 | +0.6 | 88757 | 1131 | +1.3 | 140065 | 1488 | +1.1 |
| *M* | 34540 | 197 | +0.6 | 86720 | 979 | +1.1 | 89407 | 667 | +0.8 | 140942 | 894 | +0.6 |
| *J* | 35230 | 694 | +2.0 | 87390 | 696 | +0.8 | 89870 | 488 | +0.5 | 141660 | 743 | +0.5 |
| *J* | 35520 | 302 | +0.9 | 88070 | 693 | +0.8 | 90161 | 307 | +0.3 | 141821 | 177 | +0.1 |
| *A* | 35960 | 440 | +1.2 | 89270 | 1196 | +1.4 | 91318 | 1164 | +1.3 | 143111 | 1297 | +0.9 |
| *S* | 36420 | 462 | +1.3 | 90300 | 1024† | +1.1 | 92595 | 1274 | +1.4 | 144776 | 1662 | +1.2 |
| *O* | 37480 | 1058 | +2.9 | 91830 | 1517 | +1.7 | 93922 | 1314 | +1.4 | 146708 | 1919 | +1.3 |
| *N* | 37430 | − 57 | −0.2 | 91870 | 18 | — | 93545 | −401 | −0.4 | 146975 | 243 | +0.2 |
| *D* | 37790 | 354 | +0.9 | 92430 | 519 | +0.6 | 93778 | 203 | +0.2 | 147522 | 517 | +0.4 |
| 1983 *J* | 38170 | 401 | +1.1 | 92790† | 379 | +0.4 | 94136 | 403 | +0.4 | 148574 | 1097 | +0.7 |
| *F* | 38320 | 153 | +0.4 | 93050 | 260 | +0.3 | 94201 | 279 | +0.3 | 149534 | 1174 | +0.8 |

[1] Changes up to and including the 4th quarter of 1981 in the quarterly series, and 18 November 1981 in the monthly series, have been calculated on the basis of the old banking sector; after those dates, changes in each series have been calculated on the basis of the new monetary sector. Figures for the 4th quarter of 1981 are partly estimated.

## Money stock and liquidity



## Counterparts to changes in money stock[1]

**Seasonally adjusted[2]** **£ million**

| | Domestic counterparts | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Public sector borrowing requirement | | Net acquisition of public sector debt by UK non-bank private sector | | | | | | |
| | Central government borrowing requirement | Other public sector contribution | Other public sector debt | Central government debt | Sterling lending to UK private sector[3] | Sub-total of domestic counter-parts | External and foreign currency counterparts | Non-deposit liabilities (net) | Money stock sterling $M_3$ |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1977 | 4469 | 1524 | 551 | 7905 | 3189† | 726† | 3847 | − 442 | 4131† |
| 1978 | 8371 | − 14† | −338† | 6359 | 4698 | 7034 | 658 | − 920 | 6772 |
| 1979 | 10430 | 2178 | 989 | 9888† | 8585 | 10316 | − 3121† | − 557† | 6639 |
| 1980 | 11156 | 1033 | 249 | 9069 | 10025 | 12896 | − 474 | − 1381 | 11049 |
| 1981 | 10141† | 441 | −926 | 12118 | 11217 | 10607 | 255 | − 1736 | 9121 |
| 1978 *1* | 1508 | 42 | −243 | 1403 | 916 | 1306 | 946 | 22 | 2274 |
| *2* | 2086 | −393 | −561 | 1791 | 1313 | 1776 | − 46 | − 406 | 1324 |
| *3* | 2274 | 140† | 543† | 1372 | 1027 | 1526 | − 314 | − 135 | 1077 |
| *4* | 2503 | 197 | − 77 | 1793 | 1442 | 2426 | 72 | − 401 | 2097 |
| 1979 *1* | 1542 | 1286 | 464 | 3140 | 2565 | 1789 | − 540 | − 71 | 1178 |
| *2* | 2907 | −274 | −332 | 2907 | 2045 | 2103 | 99 | − 275 | 1927 |
| *3* | 2772 | 958 | 629 | 1701 | 1994 | 3394 | − 1755 | − 189 | 1450 |
| *4* | 3209 | 208 | 228 | 2140 | 1981 | 3030 | − 924 | − 22 | 2084 |
| 1980 *1* | 222 | 462 | 294 | 1513 | 3424 | 2301 | 139† | − 595† | 1845 |
| *2* | 3045 | 484 | 296 | 1725 | 2278 | 3786 | − 251 | − 298 | 3237 |
| *3* | 3571 | 456 | − 36 | 3138 | 2655 | 3580 | − 567 | − 332 | 2681 |
| *4* | 4318 | −369 | −305 | 2693 | 1668 | 3229 | 205 | − 148 | 3286 |
| 1981 *1* | 2099 | − 51 | −452 | 3902 | 2321 | 919 | 1008 | − 378 | 1549 |
| *2* | 5171 | 688 | − 98 | 3265 | 678 | 3370 | 34 | − 497 | 2907 |
| *3* | 2831 | −309 | −120 | 1727 | 2984 | 3899 | − 403 | − 553 | 2943 |
| *4* | 40† | 113 | −256 | 3224† | 5234 | 2419† | − 384 | − 313 | 1722 |
| 1982 *1* | − 414 | 575 | − 87 | 3448 | 6043 | 2803 | − 147 | − 293 | 2363 |
| *2* | 1255 | − 4 | −126 | 1145 | 3277 | 3509 | − 1255 | − 438 | 1816 |
| *3* | 2445 | −1025 | − 87 | 4034 | 5223 | 2522 | − 458 | − 809 | 1255† |
| *4* | 4440 | −1844 | −297 | 2141 | 3318 | 4070 | −629 | −548 | 2893 |
| **Month ended** | | | | | | | | | |
| 1980 July 16 | 851 | | 379 | 210 | 2119 | 3139 | 208 | − 247 | 3100 |
| Aug. 20 | 1240 | | 119 | 1017 | 1138 | 1480 | 4 | − 154 | 1330 |
| Sept. 17 | 1005 | | 78 | 1066 | 758 | 775 | − 478 | 19 | 316 |
| Oct. 15 | 1030 | | 149 | 957 | 900 | 1122 | 586 | − 281 | 1427 |
| Nov. 19 | 993 | | 150 | 917 | 358 | 584 | 185 | − 2 | 767 |
| Dec. 10 | 978 | | − 76 | 719 | 685 | 868 | 4 | − 112 | 760 |
| 1981 Jan. 21 | 426 | | 336 | 1085 | 595 | 272 | − 358 | 109 | 23 |
| Feb. 18 | 356 | | −106 | 1027 | 640 | −137 | 502 | − 164 | 201 |
| Mar. 18 | 606 | | 259 | 1757 | 1131 | 239 | 326 | − 71 | 494 |
| April 15 | 1923 | | 90 | 927 | 434 | 1520 | − 278 | 89 | 1331 |
| May 20 | 1923 | | 588 | 1398 | 72 | 1185 | 79 | − 124 | 1140 |
| June 17 | 1716 | | 4 | 1030 | 159 | 849 | − 277 | − 410 | 162 |
| July 15 | 2304 | | −416 | 575 | 348 | 1661 | 98 | − 160 | 1599 |
| Aug. 19 | 297 | | 181 | 982 | 1505 | 1001 | − 189 | − 70 | 742 |
| Sept. 16 | 1280 | | −154 | 188 | 1247 | 2185 | − 329 | − 173 | 1683 |
| Oct. 21 | 924 | | 579 | 1250 | 704 | 957 | 21 | 120 | 1098 |
| Nov. 18 | − 948 | | 79 | 1426 | 2543 | 248 | − 104† | 109† | 253 |
| Dec. 9 | − 215 | | −251 | 312 | 1318 | 540 | − 220 | 143 | 463 |
| 1982 Jan. 20 | 282 | | 463 | 1180 | 1410 | 975 | 301 | − 309 | 967 |
| Feb. 17 | − 147 | | −203 | 1039 | 1953 | 564 | − 403 | − 67 | 94 |
| Mar. 17 | − 737 | | 354 | 1231 | 2214 | 600 | 113 | − 157 | 556 |
| April 21 | − 561 | | 497 | 722 | 2024 | 1238 | − 424 | − 339 | 475 |
| May 19 | 1237† | | 39 | 494† | 970 | 1752 | − 511 | − 262 | 979 |
| June 16 | 828 | | −242 | 331 | 1032 | 1287 | − 210 | − 381 | 696 |
| July 21 | 920 | | −140 | 1266 | 1534† | 1048 | − 676 | 321 | 693 |
| Aug. 18 | 1491 | | −391 | 866 | 1308 | 1542 | − 198 | − 148 | 1196 |
| Sept. 15 | 960 | | −437 | 1458 | 2031 | 1096 | 232 | − 304 | 1024 |
| Oct. 20 | 1425 | | −314 | 865 | 1789 | 2035 | − 227 | − 291 | 1517 |
| Nov. 17 | 1027 | | −704 | 901 | 1210 | 632 | − 151 | − 463 | 18 |
| Dec. 8 | − 654 | | −222 | 266 | 755 | 921 | − 67 | − 335 | 519 |
| 1983 Jan. 19 | 649 | | 6† | 889 | 497 | 263 | 149 | − 33 | 379 |
| Feb 16 | 711 | | −110 | 897 | 1388 | 1092 | − 818 | − 14 | 260 |

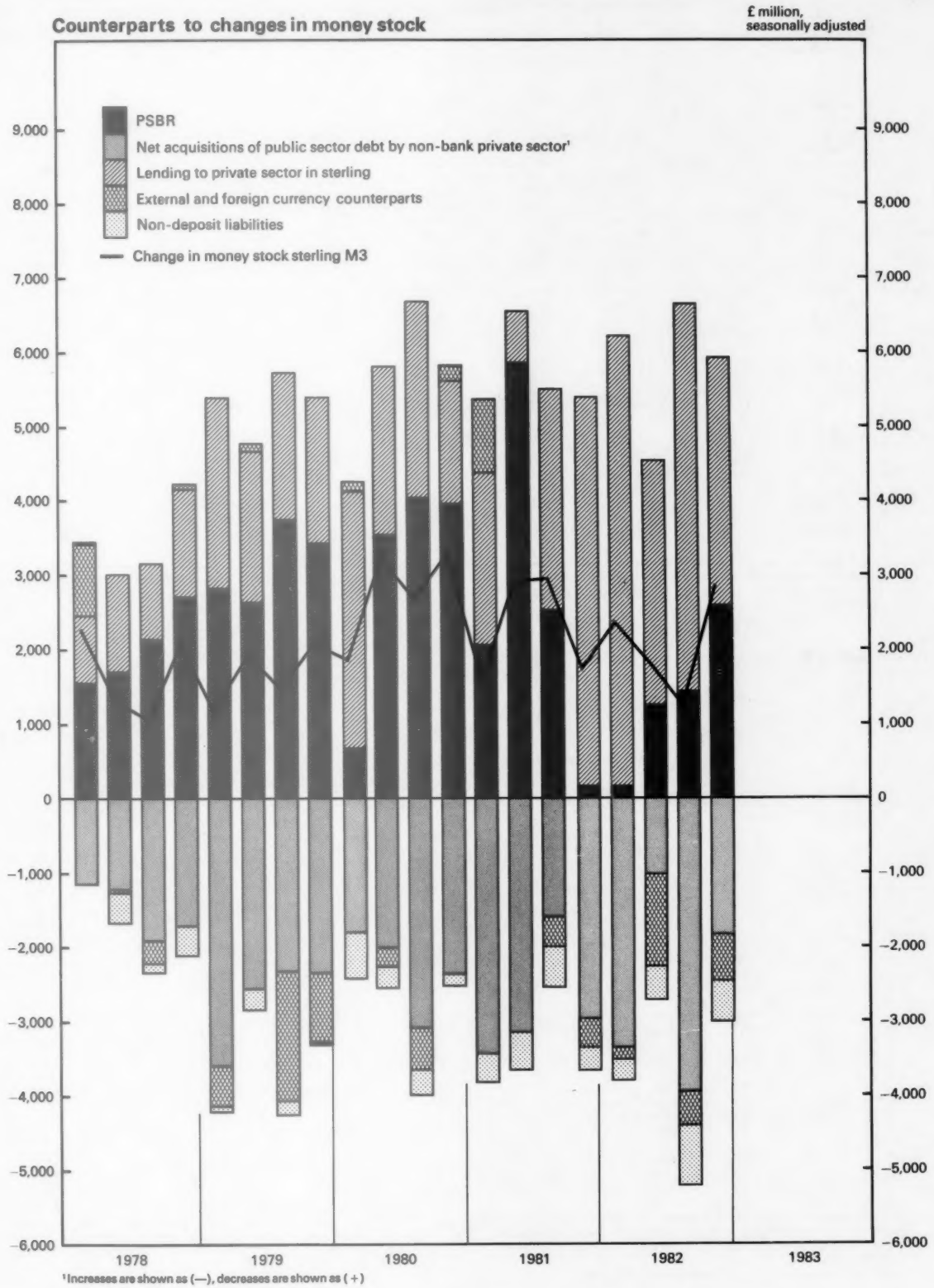
Relationship between columns: 6 = 1+2−3−4+5; 9 = 6+7+8 (The figures combined in the bracket are column 2 *less* column 3.)

[1] Changes up to and including the 4th quarter of 1981 in the quarterly series, and 18 November 1981 in the monthly series, have been calculated on the basis of the old banking sector; after those dates, changes in each series have been calculated on the basis of the new monetary sector. Figures for the 4th quarter of 1981 are partly estimated.

[2] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[3] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.

## Counterparts to changes in money stock




[1] Increases are shown as (—), decreases are shown as (+)

## General government receipts and expenditure[1]

£ million

| | General government | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Receipts[2] | | Expenditure | | | | | | |
| | Taxes, national insurance, etc. contributions | Trading income rent, royalties interest, etc. | Goods and services | | Current and capital tranfers | | | Net lending. etc[3] | Total |
| | | | Final consumption | Gross domestic capital formation | Current grants and subsidies | Capital transfers | Debt interest | | |
| 1978 | 56420 | 6795 | 32,984 | 4717 | 23261 | 2028 | 7207 | 1690 | 71887 |
| 1979 | 67558 | 8232 | 38,324 | 5278 | 27474 | 1897 | 8963 | 3273 | 85209 |
| 1980 | 82874 | 10132 | 48,424 | 5855 | 32633 | 2254 | 11351 | 3462 | 103979 |
| 1981 | 96409 | 11337 | 54,942 | 4659 | 38820 | 2501 | 13093 | 2614 | 116629 |
| 1979 *1* | 15914 | 2063 | 8,889 | 1507 | 6563 | 500 | 2332 | 554 | 20345 |
| *2* | 16049 | 1922 | 9,304 | 1040 | 6854 | 456 | 1921 | 672 | 20247 |
| *3* | 17304 | 2215 | 9,874 | 1367 | 6676 | 448 | 2544 | 1055 | 21964 |
| *4* | 18291 | 2032 | 10,257 | 1364 | 7381 | 493 | 2166 | 992 | 22653 |
| 1980 *1* | 21102 | 2443 | 11,144 | 1755 | 7846 | 586 | 3155 | 152 | 24638 |
| *2* | 18680 | 2429 | 11,652 | 1156 | 8140 | 522 | 2337 | 1434 | 25241 |
| *3* | 21447 | 2483 | 12,530 | 1424 | 8124 | 620 | 3318 | 1156 | 27172 |
| *4* | 21645 | 2777 | 13,098 | 1520 | 8523 | 526 | 2541 | 720 | 26928 |
| 1981 *1* | 23614 | 2796 | 13,195 | 1728 | 9243 | 671 | 3661 | 334 | 28832 |
| *2* | 21511 | 2704 | 13,576 | 911 | 9814 | 528 | 2663 | 891 | 28383 |
| *3* | 25531 | 2915 | 14,008 | 960 | 9880 | 631 | 3967 | 876 | 30322 |
| *4* | 25753 | 2922 | 14,163 | 1060 | 9883 | 671 | 2802 | 513 | 29092 |
| 1982 *1* | 28200 | 3142 | 14,649 | 1439 | 10307 | 826 | 4340 | 869 | 32430 |
| *2* | 24768 | 3044 | 14,773 | 534 | 10816 | 531 | 2835[1] | 259 | 29748 |
| *3* | 27376 | 3070 | 14,934 | 991 | 10725 | 608 | 4437 | 1105 | 32800 |
| *4* | | | | | | | | | |

[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).

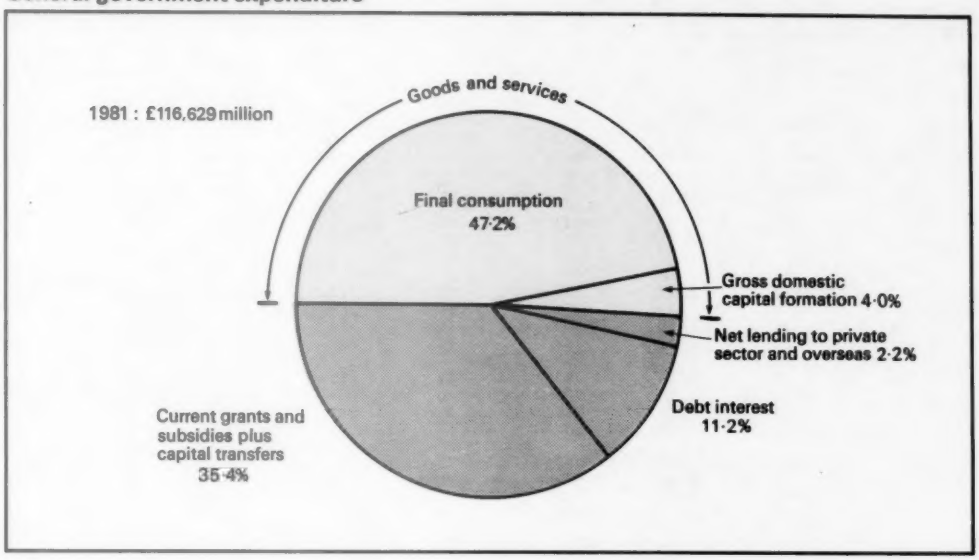
## Financial transactions of the public sector

£ million

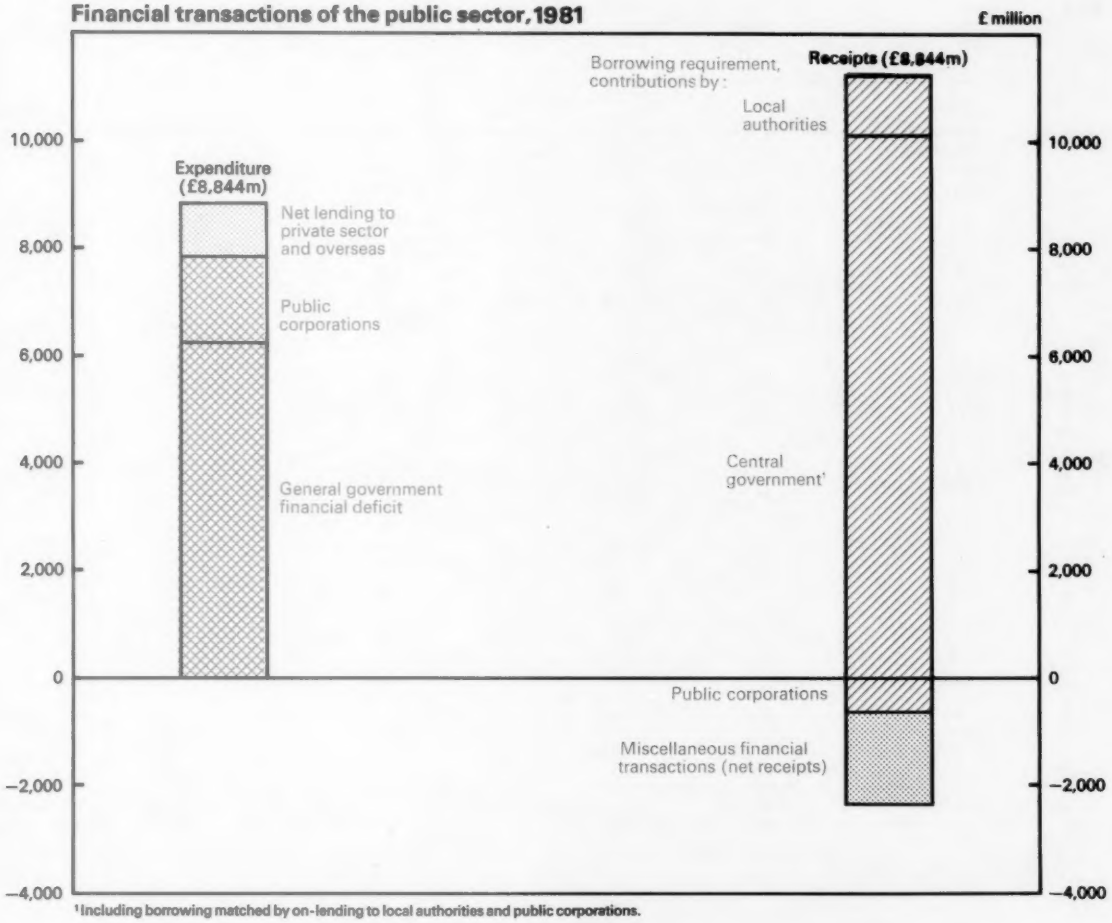
| | Financial deficit[1] | | | | Receipts | | Borrowing requirement | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Contributions by: | | | |
| | Total | General government[2] | Public corporations | Net lending etc., to private sector and overseas[3] | Total | Financial transactions (net receipts) | Total | Central government[4] | Local authorities | Public corporations | Seasonally adjusted Total[5] |
| 1978 | 7950 | 6982 | 968 | 538 | 8488 | 131 | 8357 | 8371 | 659 | −673 | 8357 |
| 1979 | 8280 | 6146 | 2134 | 475 | 8755 | −3881 | 12636 | 10430 | 1761 | 445 | 12636 |
| 1980 | 9936 | 7511 | 2425 | 479 | 10415 | −1765 | 12180 | 11156 | 1781 | −757 | 12180 |
| 1981 | 7867 | 6269 | 1598 | 977 | 8844 | −1739 | 10583 | 10141 | 1082† | −640† | 10583 |
| 1982 | | | | | | | 5388 | 7713 | −1680 | −645 | 5388 |
| 1979 *1* | 2264 | 1814 | 450 | 181 | 2445 | 971 | 1474 | 247 | 1001 | 226 | 2829 |
| *2* | 2015 | 1604 | 411 | 237 | 2252 | −1160 | 3412 | 3797 | − 223 | −162 | 2659 |
| *3* | 2447 | 1390 | 1057 | 115 | 2562 | −1233 | 3795 | 2842 | 632 | 321 | 3731 |
| *4* | 1554 | 1338 | 216 | − 58 | 1496 | −2459 | 3955 | 3544 | 351 | 60 | 3417 |
| 1980 *1* | 1400 | 941 | 459 | −105 | 1295 | 2538 | − 1243 | − 1956 | 1388 | −675 | 674 |
| *2* | 3362 | 2698 | 664 | 436 | 3798 | −1019 | 4817 | 4619 | 541 | −343 | 3529 |
| *3* | 3250 | 2086 | 1164 | 181 | 3431 | − 338 | 3769 | 3246 | 313 | 210 | 4028 |
| *4* | 1924 | 1786 | 138 | − 33 | 1891 | −2946 | 4837 | 5247 | − 461 | 51 | 3949 |
| 1981 *1* | 2457 | 2088 | 369 | −130 | 2327 | 2561 | − 234 | − 156 | 572† | −650 | 2048 |
| *2* | 3741 | 3277 | 464 | 614 | 4355 | −3488 | 7843 | 7421 | 317 | 105 | 5859 |
| *3* | 1903 | 1000 | 903 | 285 | 2188 | − 17 | 2205 | 2267 | 270 | −332 | 2523 |
| *4* | − 234 | − 96 | − 138 | 208 | − 26 | − 795 | 769 | 609 | − 77 | 237 | 153 |
| 1982 *1* | 704 | 219 | 485 | 254 | 958 | 3091† | − 2133† | − 2775 | 489 | 153 | 138 |
| *2* | 2221 | 1677 | 544 | 400 | 2621 | − 205 | 2826 | 3147 | 30 | −351† | 1250 |
| *3* | 2316 | 1249 | 1067 | 322† | 2638 | 932 | 1706 | 2481 | − 708 | − 67 | 1422 |
| *4* | | | | | | | 2989 | 4860 | −1491 | −380 | 2578 |

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2.
[3] Including cash expenditure on company securities (net.)
[4] Including borrowing matched by on-lending to local authorities and public corporations.
[5] Calendar year constrained.

## General government expenditure




## Financial transactions of the public sector, 1981




¹ Including borrowing matched by on-lending to local authorities and public corporations.

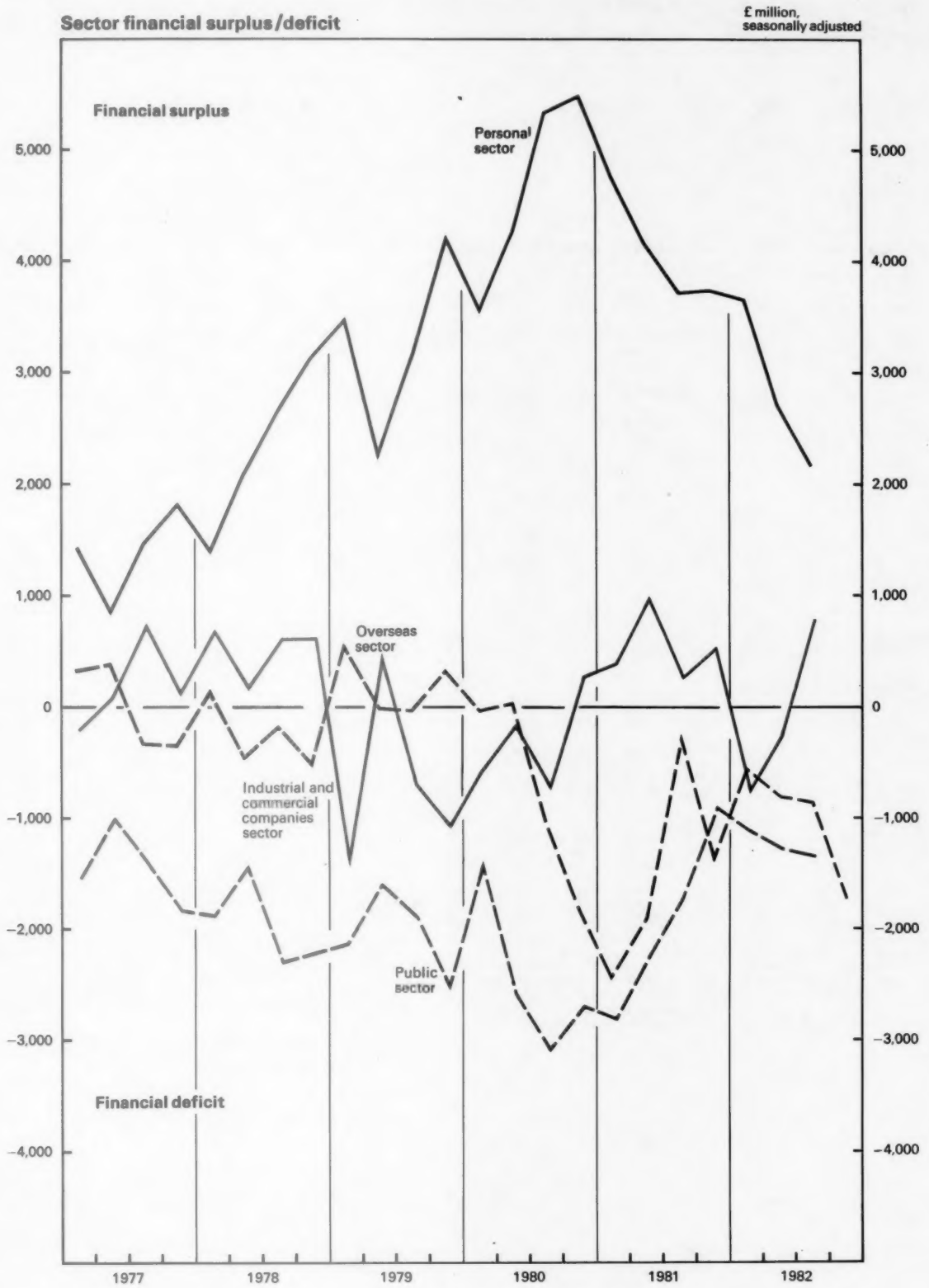
## Summary capital accounts and financial surplus or deficit: analysis by sector

£ million, seasonally adjusted

| | Public sector[1] | | | Financial companies and institutions | | | Industrial and commercial companies | | |
|---|---|---|---|---|---|---|---|---|---|
| | Saving[2] | Capital transfers (net receipts) | Gross domestic capital formation[3] | Saving[2] | Capital tranfers (net receipts) | Gross domestic capital formation[3] | Saving[2] | Capital tranfers (net receipts) | Gross domestic capital formation[3] |
| 1978 | 2,590 | −598 | 9,942 | 2,087 | − 75 | 3,093 | 18,500 | 374 | 16,934 |
| 1979 | 3,542 | −291 | 11,531 | 3,241 | −210 | 3,803 | 21,267 | 324 | 24,443 |
| 1980 | 3,596 | −424 | 13,108 | 3,023 | −238 | 4,949 | 16,635 | 387 | 18,380 |
| 1981 | 4,518 | −272 | 12,113 | 3,413 | −515 | 5,646 | 17,351 | 591 | 15,910 |
| 1982 | | | | | | | | | |
| 1978 *1* | 663 | −247 | 2,327 | 339 | 79 | 773 | 4,391 | 107 | 3,850 |
| *2* | 1,166 | −110 | 2,533 | 471 | − 51 | 789 | 4,350 | 81 | 4,304 |
| *3* | 313 | −118 | 2,525 | 569 | − 51 | 779 | 4,721 | 90 | 4,238 |
| *4* | 448 | −123 | 2,557 | 708 | − 52 | 752 | 5,038 | 96 | 4,542 |
| 1979 *1* | 569 | − 67 | 2,674 | 757 | − 21 | 805 | 4,339 | 54 | 5,829 |
| *2* | 1,249 | −105 | 2,756 | 782 | − 60 | 1,067 | 5,801 | 110 | 5,486 |
| *3* | 1,260 | − 67 | 3,105 | 945 | − 62 | 923 | 5,851 | 95 | 6,682 |
| *4* | 464 | − 52 | 2,996 | 757 | − 67 | 1,008 | 5,276 | 65 | 6,446 |
| 1980 *1* | 1,794 | − 65 | 3,195 | 796 | − 42 | 1,117 | 5,147 | 36 | 5,787 |
| *2* | 636 | −100 | 3,158 | 963 | − 71 | 1,180 | 4,975 | 84 | 5,248 |
| *3* | 409 | −173 | 3,356 | 760 | − 65 | 1,257 | 3,366 | 121 | 4,278 |
| *4* | 757 | − 86 | 3,399 | 504 | − 60 | 1,395 | 3,147 | 146 | 3,067 |
| 1981 *1* | 471 | − 97 | 3,223 | 1,175 | − 58 | 1,265 | 3,657 | 117 | 3,423 |
| *2* | 970 | −119 | 3,135 | 1,025 | − 77 | 1,395 | 4,521 | 151 | 3,713 |
| *3* | 1,006 | − 40 | 2,759 | 745 | −214 | 1,478 | 4,617 | 173 | 4,574 |
| *4* | 2,071 | − 16 | 2,996 | 468 | −166 | 1,508 | 4,556 | 150 | 4,200 |
| 1982 *1* | 2,089 | − 73 | 3,186 | 720 | −199 | 1,437 | 3,143 | 175 | 4,131 |
| *2* | 1,764 | − 71 | 3,019 | 1,145 | − 77 | 1,470 | 3,868 | 81 | 4,212 |
| *3* | 1,927 | −172 | 3,153 | 1,162 | − 64 | 1,470 | 4,506 | 92 | 3,811 |
| *4* | | | | | | | | | |

| | Personal sector | | | Financial Surplus/Deficit[4] | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Saving[2] | Capital transfers (net receipts) | Gross domestic capital formation[3] | Public sector | Financial companies and institutions | Industrial and commercial companies | Personal sector | Overseas sector[5] | Residual error[6] |
| 1978 | 14,537 | 299 | 5,622 | −7,950 | −1,081 | 1,940 | 9,214 | −1,018 | −1,105 |
| 1979 | 19,731 | 177 | 6,877 | −8,280 | − 772 | −2,852 | 13,031 | 853 | −1,980 |
| 1980 | 25,082 | 275 | 6,724 | −9,936 | −2,164 | −1,358 | 18,633 | −2,929 | −2,246 |
| 1981 | 23,361 | 196 | 7,240 | −7,867 | −2,748 | 2,032 | 16,317 | −5,961 | −1,773 |
| 1982 | | | | | | | | −3,948 | |
| 1978 *1* | 2,657 | 61 | 1,334 | −1,911 | − 355 | 648 | 1,384 | 143 | 91 |
| *2* | 3,419 | 80 | 1,412 | −1,477 | − 369 | 127 | 2,087 | − 485 | 117 |
| *3* | 3,956 | 79 | 1,416 | −2,330 | − 261 | 573 | 2,619 | − 160 | − 441 |
| *4* | 4,505 | 79 | 1,460 | −2,232 | − 96 | 592 | 3,124 | − 516 | − 872 |
| 1979 *1* | 4,910 | 34 | 1,457 | −2,172 | − 69 | −1,436 | 3,487 | 571 | − 381 |
| *2* | 3,787 | 55 | 1,633 | −1,612 | − 345 | 425 | 2,209 | 6 | − 683 |
| *3* | 4,840 | 34 | 1,752 | −1,912 | − 40 | − 736 | 3,122 | − 34 | − 400 |
| *4* | 6,194 | 54 | 2,035 | −2,584 | − 318 | −1,105 | 4,213 | 310 | − 516 |
| 1980 *1* | 5,369 | 71 | 1,909 | −1,466 | − 363 | − 604 | 3,531 | − 37 | −1,061 |
| *2* | 5,903 | 87 | 1,725 | −2,622 | − 288 | − 189 | 4,265 | 26 | −1,192 |
| *3* | 6,873 | 117 | 1,650 | −3,120 | − 562 | − 791 | 5,340 | −1,068 | 201 |
| *4* | 6,937 | — | 1,440 | −2,728 | − 951 | 226 | 5,497 | −1,850 | − 194 |
| 1981 *1* | 6,321 | 38 | 1,619 | −2,849 | − 148 | 351 | 4,740 | −2,411 | 317 |
| *2* | 5,638 | 45 | 1,551 | −2,284 | − 447 | 959 | 4,132 | −1,904 | − 456 |
| *3* | 5,703 | 81 | 2,071 | −1,793 | − 947 | 216 | 3,713 | − 294 | − 895 |
| *4* | 5,699 | 32 | 1,999 | − 941 | −1,206 | 506 | 3,732 | −1,352 | − 739 |
| 1982 *1* | 5,881 | 97 | 2,333 | −1,170 | − 916 | − 813 | 3,645 | − 589 | − 157 |
| *2* | 4,853 | 67 | 2,229 | −1,326 | − 402 | − 263 | 2,691 | − 803 | 103 |
| *3* | 4,406 | 144 | 2,389 | −1,398 | − 372 | 787 | 2,161 | − 847 | − 331 |
| *4* | | | | | | | | − 1709 | |

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to savings *plus* capital transfer *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
[6] The residual error in the national income accounts.


Sector financial surplus/deficit
£ million, seasonally adjusted
Financial surplus
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
Financial deficit
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
1977
1978
1979
1980
1981
1982

## Appropriation account of industrial and commercial companies

£ million, seasonally adjusted

| | Income | | | | | | | | Allocation of income | | | | Balance | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Income arising in the United Kingdom | | | | | | | | Dividends, interest and current transfer payments | | | | | |
| | Gross trading profits | | | | | | | | | | | | | |
| | Net of stock appreciation | | | | | | | | | | | | | |
| | Total income | N. Sea oil companies | Other companies | Total | Stock appreciation | Total[1] | Rent and non-trading income | Income from abroad (net of taxes paid abroad) | Dividends on ordinary shares[2] | Other[2,3] | Profits due abroad (net of UK tax) | UK taxes on income (payments)[4] | Undistributed income[5] | Undistributed income adjusted for unremitted profits[5,6] |
| 1972 | 10,489 | 50 | 7,725 | 7,775 | 1,082 | 8,857 | 606 | 1,026 | 1,524 | 1,539 | 549 | 1,030 | 5,847 | 5,773 |
| 1973 | 14,200 | 33 | 8,943 | 8,976 | 2,310 | 11,286 | 1,005 | 1,909 | 1,638 | 2,408 | 648 | 1,303 | 8,205 | 7,812 |
| 1974 | 16,574 | −17 | 8,439 | 8,422 | 4,751 | 13,173 | 1,290 | 2,111 | 1,469 | 3,391 | 506 | 2,075 | 9,133 | 8,602 |
| 1975 | 16,373 | − 50 | 9,184 | 9,134 | 4,319 | 13,453 | 1,303 | 1,617 | 1,508 | 3,371 | 422 | 1,631 | 9,441 | 8,818 |
| 1976 | 20,835 | 516 | 11,006 | 11,522 | 5,357 | 16,879 | 1,567 | 2,389 | 1,795 | 3,952 | 724 | 1,377 | 12,987 | 11,860 |
| 1977 | 26,072 | 1,957 | 16,391 | 18,348 | 3,909 | 22,257 | 1,439 | 2,376 | 2,144 | 4,120 | 1,729 | 2,317 | 15,762 | 15,827 |
| 1978 | 30,569 | 2,602 | 20,109 | 22,711 | 3,348 | 26,059 | 1,735 | 2,775 | 2,619 | 4,437 | 1,980 | 3,033 | 18,500 | 18,462 |
| 1979 | 39,439 | 5,265 | 18,701 | 23,966 | 7,577 | 31,543 | 2,437 | 5,459 | 4,204 | 6,173 | 3,808 | 3,987 | 21,267 | 22,273 |
| 1980 | 39,927 | 8,036 | 18,848 | 26,884 | 5,061 | 31,945 | 3,171 | 4,811 | 4,208 | 8,911 | 4,609 | 5,564 | 16,635 | 17,531 |
| 1981 | 42,882 | 10,990 | 18,848 | 29,838 | 4,295 | 34,133 | 3,441 | 5,308 | 4,537 | 9,163 | 4,394 | 7,437 | 17,351 | 17,305 |
| 1976 *1* | 4,553 | 54 | 2,637 | 2,691 | 976 | 3,667 | 334 | 552 | 446 | 857 | 192 | 213 | 2,845 | 2,610 |
| *2* | 4,941 | 77 | 2,555 | 2,632 | 1,363 | 3,995 | 369 | 577 | 439 | 895 | 130 | 308 | 3,169 | 2,855 |
| *3* | 5,331 | 123 | 2,746 | 2,869 | 1,439 | 4,308 | 394 | 629 | 447 | 1,000 | 189 | 398 | 3,297 | 2,941 |
| *4* | 6,010 | 262 | 3,068 | 3,330 | 1,579 | 4,909 | 470 | 631 | 463 | 1,200 | 213 | 458 | 3,676 | 3,454 |
| 1977 *1* | 6,503 | 413 | 3,613 | 4,026 | 1,408 | 5,434 | 433 | 636 | 562 | 1,180 | 362 | 486 | 3,913 | 3,859 |
| *2* | 6,623 | 491 | 4,194 | 4,685 | 966 | 5,651 | 352 | 620 | 567 | 1,011 | 453 | 577 | 4,015 | 4,035 |
| *3* | 6,671 | 528 | 4,297 | 4,825 | 937 | 5,762 | 340 | 569 | 582 | 998 | 474 | 618 | 3,999 | 4,013 |
| *4* | 6,275 | 525 | 4,287 | 4,812 | 598 | 5,410 | 314 | 551 | 433 | 931 | 440 | 636 | 3,835 | 3,920 |
| 1978 *1* | 7,023 | 559 | 5,045 | 5,604 | 480 | 6,084 | 336 | 603 | 635 | 887 | 453 | 657 | 4,391 | 4,440 |
| *2* | 7,339 | 610 | 4,673 | 5,283 | 938 | 6,221 | 417 | 701 | 763 | 1,055 | 433 | 738 | 4,350 | 4,342 |
| *3* | 7,873 | 658 | 5,121 | 5,779 | 922 | 6,701 | 464 | 708 | 649 | 1,188 | 510 | 805 | 4,721 | 4,663 |
| *4* | 8,334 | 775 | 5,270 | 6,045 | 1,008 | 7,053 | 518 | 763 | 572 | 1,307 | 584 | 833 | 5,038 | 5,017 |
| 1979 *1* | 8,256 | 933 | 4,206 | 5,139 | 1,361 | 6,500 | 554 | 1,202 | 942 | 1,384 | 724 | 867 | 4,339 | 4,287 |
| *2* | 9,983 | 1,142 | 5,191 | 6,333 | 1,861 | 8,194 | 571 | 1,218 | 742 | 1,399 | 983 | 1,058 | 5,801 | 6,176 |
| *3* | 10,498 | 1,532 | 4,600 | 6,132 | 2,195 | 8,327 | 640 | 1,531 | 929 | 1,618 | 1,038 | 1,062 | 5,851 | 6,171 |
| *4* | 10,702 | 1,658 | 4,704 | 6,362 | 2,160 | 8,522 | 672 | 1,508 | 1,591 | 1,772 | 1,063 | 1,000 | 5,276 | 5,639 |
| 1980 *1* | 11,016 | 1,871 | 4,674 | 6,545 | 2,293 | 8,838 | 756 | 1,422 | 1,005 | 2,115 | 1,288 | 1,461 | 5,147 | 5,575 |
| *2* | 10,328 | 1,892 | 5,422 | 7,314 | 997 | 8,311 | 770 | 1,247 | 863 | 2,201 | 1,313 | 976 | 4,975 | 5,211 |
| *3* | 9,148 | 2,005 | 4,191 | 6,196 | 1,183 | 7,379 | 793 | 976 | 1,106 | 2,229 | 965 | 1,482 | 3,366 | 3,550 |
| *4* | 9,435 | 2,268 | 4,561 | 6,829 | 588 | 7,417 | 852 | 1,166 | 1,234 | 2,366 | 1,043 | 1,645 | 3,147 | 3,195 |
| 1981 *1* | 9,523 | 2,427 | 4,319 | 6,746 | 760 | 7,506 | 748 | 1,269 | 1,085 | 2,147 | 927 | 1,707 | 3,657 | 3,526 |
| *2* | 10,273 | 2,583 | 4,693 | 7,276 | 1,068 | 8,344 | 769 | 1,160 | 1,255 | 2,112 | 785 | 1,600 | 4,521 | 4,350 |
| *3* | 10,981 | 2,857 | 4,638 | 7,495 | 1,283 | 8,778 | 907 | 1,296 | 1,050 | 2,231 | 1,195 | 1,888 | 4,617 | 4,655 |
| *4* | 12,105 | 3,123 | 5,198 | 8,321 | 1,184 | 9,505 | 1,017 | 1,583 | 1,147 | 2,673 | 1,487 | 2,242 | 4,556 | 4,774 |
| 1982 *1* | 10,512 | 2,677 | 5,193 | 7,870 | 614 | 8,484 | 975 | 1,053 | 1,483 | 2,523 | 1,145 | 2,218 | 3,143 | 3,138 |
| *2* | 10,975 | 2,800 | 5,562 | 8,362 | 416 | 8,778 | 974 | 1,223 | 1,251 | 2,522 | 974 | 2,360 | 3,868 | 3,904 |
| *3* | 11,752 | 3,435 | 5,327 | 8,762 | 922 | 9,684 | 869 | 1,172 | 1,135 | 2,444 | 1,125 | 2,542 | 4,506 | 4,520 |

[1] Before providing for depreciation and stock appreciation.

[2] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.

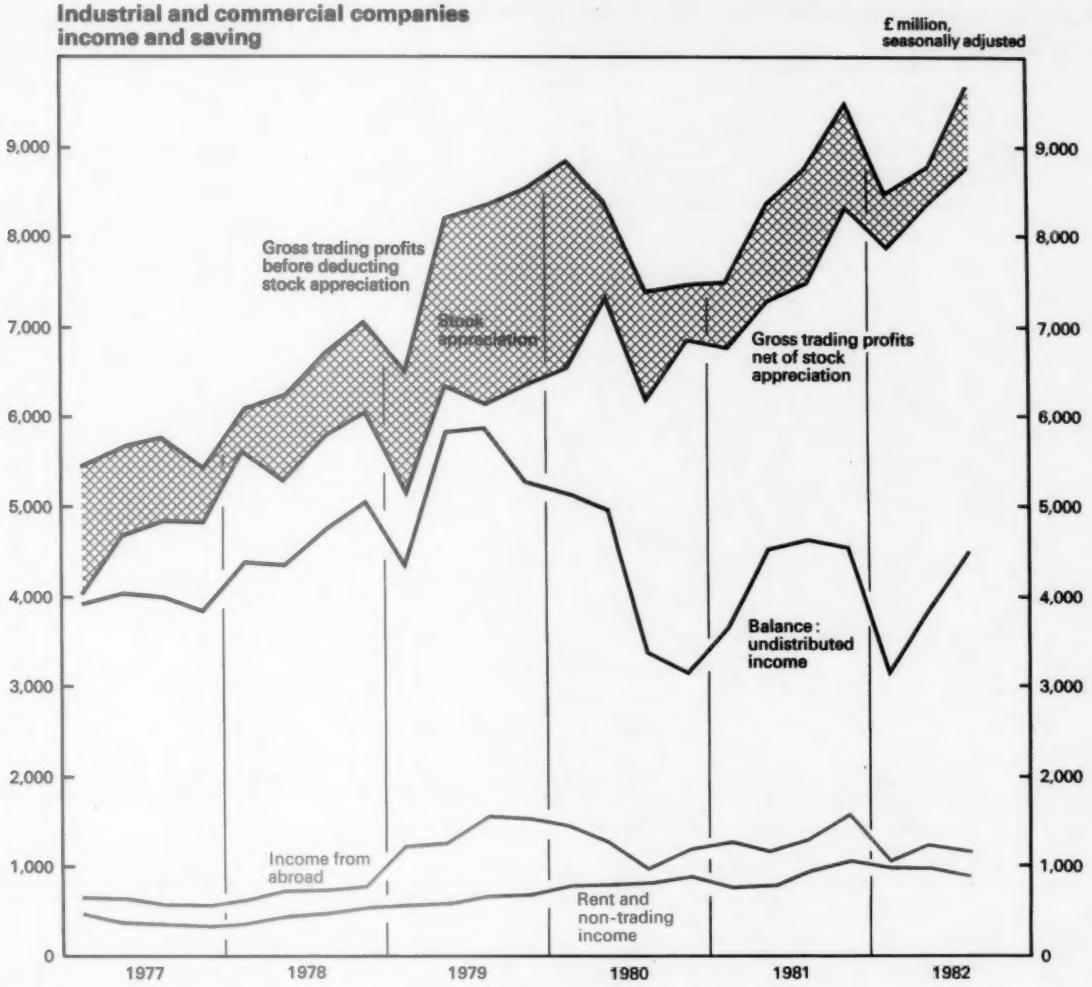
[3] Including royalties and licence fees on oil and gas production.

[4] The residual of all companies' payments and financial companies and institutions' accruals (payments from 1977) of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.

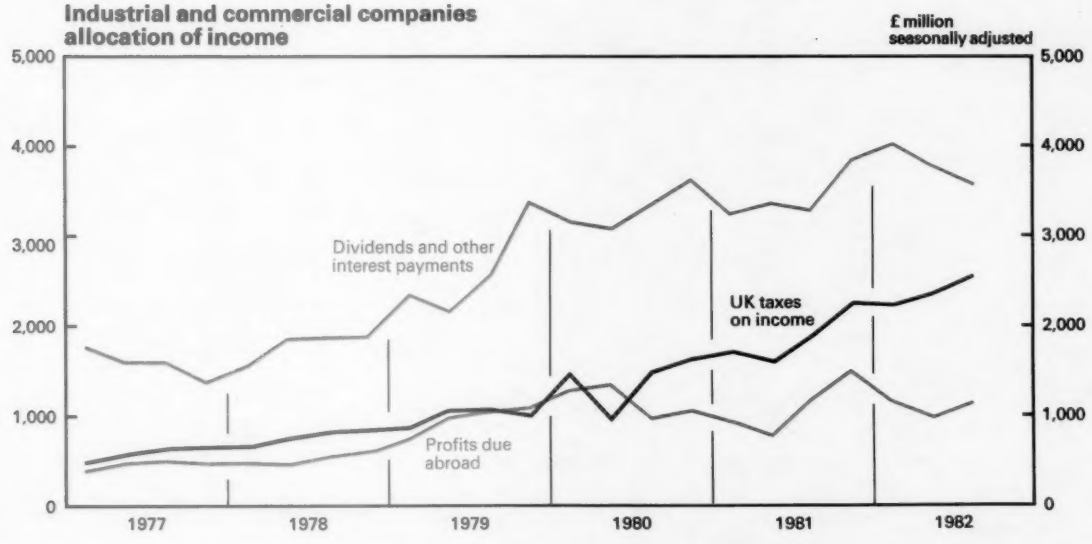
[5] Before providing for depreciation, stock appreciation and additions to reserves.

[6] Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

## Industrial and commercial companies income and saving




## Industrial and commercial companies allocation of income



## Capital account and financial surplus/deficit of industrial and commercial companies

£ million, seasonally adjusted

| | | Receipts | | | | | | Expenditure | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total receipts | Undistributed income | Stock appreciation | Undistributed income *less* stock appreciation | Capital transfers: Investment grants | Capital transfers: Other | Total expenditure | Gross domestic fixed capital formation | Value of physical increase in stocks and work in progress | Taxes on capital and other capital transfers | Balance: Financial surplus/deficit |
| 1977 | | 12,168 | 15,762 | 3,909 | 11,853 | 36 | 279 | 11,540 | 9,918 | 1,562 | 60 | 628 |
| 1978 | | 15,594 | 18,500 | 3,348 | 15,152 | 33 | 409 | 13,654 | 12,237 | 1,349 | 68 | 1,940 |
| 1979 | | 14,100 | 21,267 | 7,577 | 13,690 | 21 | 389 | 16,952 | 14,231 | 2,635 | 88 | −2,852 |
| 1980 | | 12,074 | 16,635 | 5,061 | 11,574 | 37 | 463 | 13,432 | 15,745 | −2,426 | 113 | −1,358 |
| 1981 | | 13,770 | 17,351 | 4,295 | 13,056 | 42 | 672 | 11,738 | 15,034 | −3,419 | 123 | 2,032 |
| 1979 | *1* | 3,080 | 4,339 | 1,361 | 2,978 | 7 | 95 | 4,516 | 3,336 | 1,132 | 48 | −1,436 |
| | *2* | 4,060 | 5,801 | 1,861 | 3,940 | 7 | 113 | 3,635 | 3,390 | 235 | 10 | 425 |
| | *3* | 3,761 | 5,851 | 2,195 | 3,656 | 3 | 102 | 4,497 | 3,706 | 781 | 10 | − 736 |
| | *4* | 3,199 | 5,276 | 2,160 | 3,116 | 4 | 79 | 4,304 | 3,799 | 487 | 18 | −1,105 |
| 1980 | *1* | 2,950 | 5,147 | 2,293 | 2,854 | 8 | 88 | 3,554 | 3,865 | − 371 | 60 | − 604 |
| | *2* | 4,079 | 4,975 | 997 | 3,978 | 9 | 92 | 4,268 | 3,970 | 281 | 17 | − 189 |
| | *3* | 2,324 | 3,366 | 1,183 | 2,183 | 11 | 130 | 3,115 | 3,959 | − 864 | 20 | − 791 |
| | *4* | 2,721 | 3,147 | 588 | 2,559 | 9 | 153 | 2,495 | 3,951 | −1,472 | 16 | 226 |
| 1981 | *1* | 3,072 | 3,657 | 760 | 2,897 | 11 | 164 | 2,721 | 3,773 | −1,110 | 58 | 351 |
| | *2* | 3,624 | 4,521 | 1,068 | 3,453 | 10 | 161 | 2,665 | 3,796 | −1,151 | 20 | 959 |
| | *3* | 3,526 | 4,617 | 1,283 | 3,334 | 11 | 181 | 3,310 | 3,714 | − 423 | 19 | 216 |
| | *4* | 3,548 | 4,556 | 1,184 | 3,372 | 10 | 166 | 3,042 | 3,751 | − 735 | 26 | 506 |
| 1982 | *1* | 2,684 | 3,143 | 614 | 2,529 | 11 | 144 | 3,497 | 3,779 | − 262 | − 20 | − 813 |
| | *2* | 3,554 | 3,868 | 416 | 3,452 | 8 | 94 | 3,817 | 3,857 | − 61 | 21 | − 263 |
| | *3* | 3,701 | 4,506 | 922 | 3,584 | −1 | 118 | 2,914 | 3,843 | − 954 | 25 | 787 |

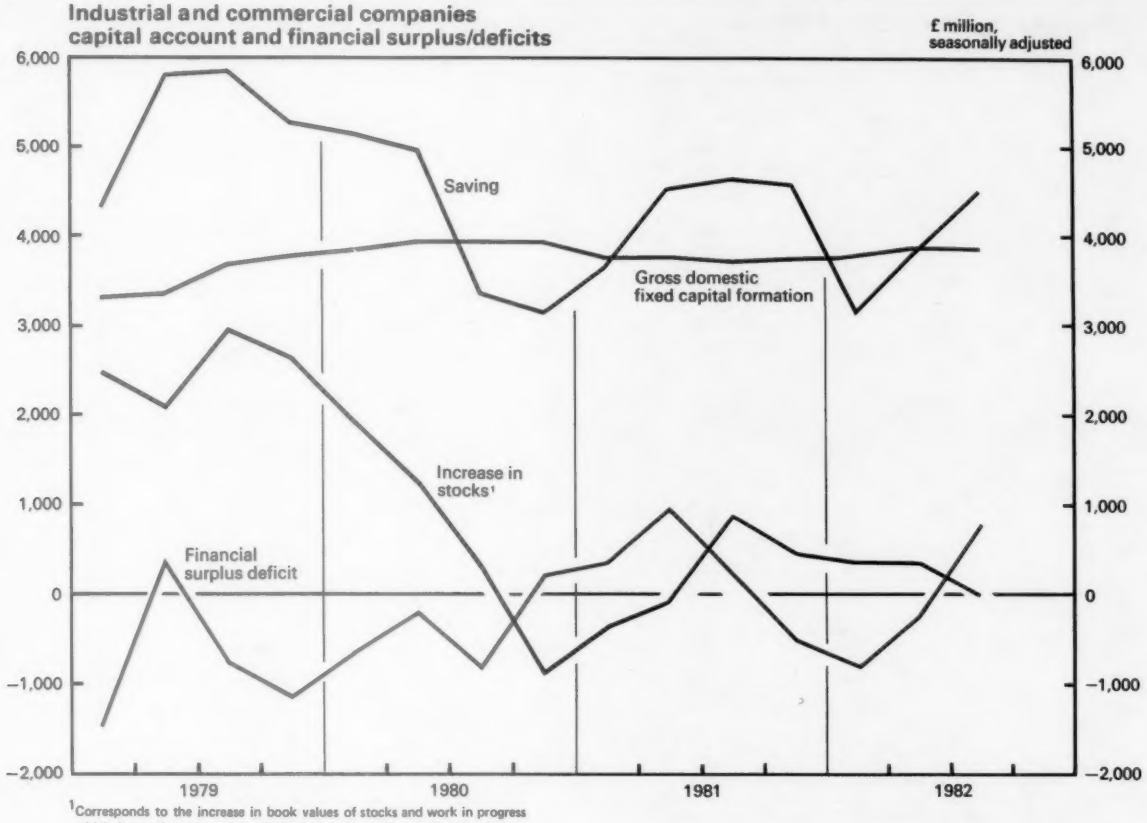
## Financial transactions including net borrowing requirement of industrial and commercial companies[1]

£ million, seasonally adjusted

| | | Transactions leading to net borrowing requirement | | | | | Financing of net borrowing requirement[5] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Financial surplus/deficit | Net unremitted profits[2] | Net identified trade and other credit[3] | Investment in UK company securities[4] | Investment abroad | Unidentified transactions | Borrowing from: Banks | Borrowing from: Other[6] | Financial assets: Liquid | Financial assets: Other | Net borrowing requirement (NBR) |
| 1977 | | 628 | 65 | − 39 | −1041 | − 812 | − 62† | 3015 | 1989 | −3124 | −619 | 1261 |
| 1978 | | 1940 | − 38 | 13 | − 773 | −2001 | −1530 | 2939 | 2026 | −2578 | 2 | 2389 |
| 1979 | | −2852 | 1006 | 2072 | −1056 | −3323 | −1879 | 4772 | 2035 | −1026† | 251† | 6032† |
| 1980 | | −1358 | 896 | − 220 | − 907 | −3009† | −1929 | 6795 | 3877 | −3755 | −390 | 6527 |
| 1981 | | 2032 | − 46 | 1107† | − 826 | −3537 | −3474 | 4222 | 6211 | −5263 | −426 | 4744 |
| 1982 | | | | | − 944 | | | 2772 | | | | |
| 1979 | *1* | −1436 | − 52 | 220 | − 206 | − 894 | 301 | 1873 | 392 | − 363 | 165 | 2067 |
| | *2* | 425 | 375 | 263 | − 236 | − 597 | −1203 | 969 | 953 | −1059 | 110 | 973 |
| | *3* | − 736 | 320 | 1200 | − 261 | −1098 | − 287 | 896 | 320 | 556 | −910 | 862 |
| | *4* | −1105 | 363 | 389 | − 353 | − 734 | − 690† | 1034 | 370 | − 160† | 886† | 2130† |
| 1980 | *1* | − 604 | 428 | −1138 | − 170 | −1071† | − 903 | 2164 | 1325 | 372 | −403 | 3458 |
| | *2* | − 189 | 236 | 339 | − 175 | −1178 | − 925 | 2091 | 473 | − 365 | −307 | 1892 |
| | *3* | − 791 | 184 | 229 | − 424 | − 228 | 231 | 2139 | 307 | −1735 | 88 | 799 |
| | *4* | 226 | 48 | 350 | − 138 | − 532 | − 332 | 401 | 1772 | −2027 | 232 | 378 |
| 1981 | *1* | 351 | − 131 | − 929 | − 221 | − 992 | 1890 | −1087 | 2521 | −1463 | 61 | 32 |
| | *2* | 959 | − 171 | 3090† | − 139 | − 792 | −1394 | 1561 | −1047 | −1346 | −721 | −1553 |
| | *3* | 216 | 38 | 446 | − 178 | − 796 | − 713 | 1834 | 1247 | −1940 | −154 | 987 |
| | *4* | 506 | 218 | −1500 | − 288 | − 957 | −3257 | 1914 | 3490 | − 514 | 388 | 5278 |
| 1982 | *1* | − 813 | − 5 | 488 | − 205 | − 889 | −2478 | − 250† | 4940† | −1588 | 800 | 3902 |
| | *2* | − 263 | 36 | − 889 | − 256 | − 405 | − 375 | 1732 | − 150 | 577 | − 7 | 2152 |
| | *3* | 787 | 14 | − 430 | − 291 | − 593 | −1073 | 127 | 2324 | − 899 | 34 | 1586 |
| | *4* | | | | − 192 | | | 1163 | | | | |

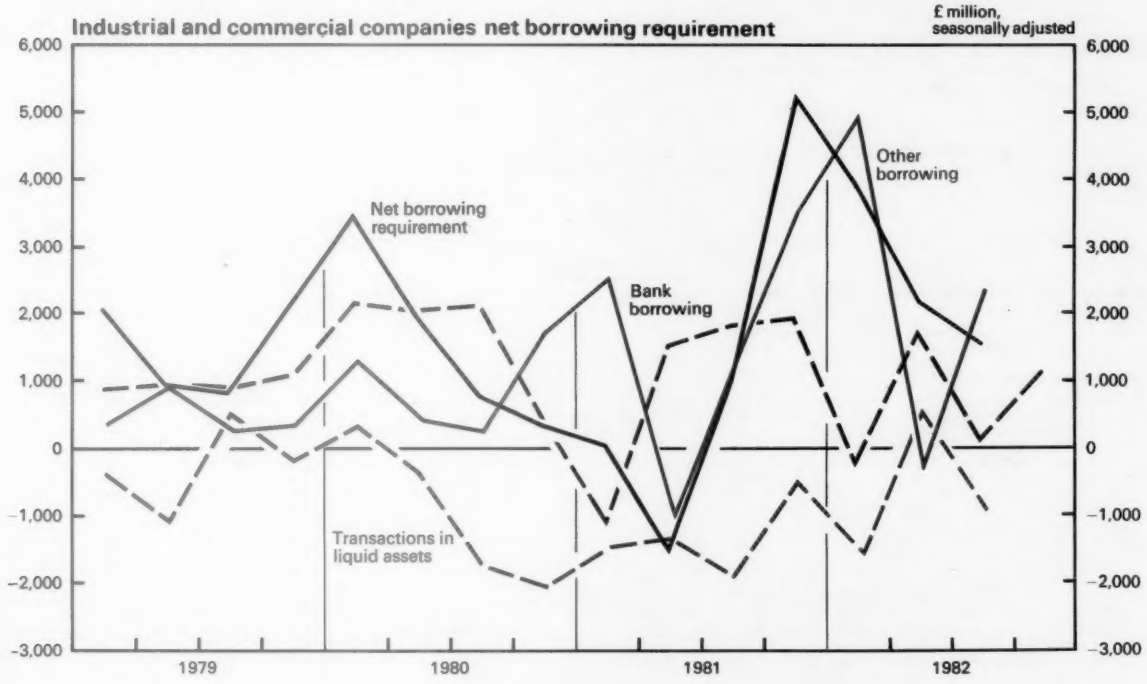
[1] Inflows (+), outflows (−); Relationships between columns: 1+2+3+4+5+6+7+8+9+10=zero; 7+8+9+10=11
[2] Retained in UK (+), retained abroad (−).
[3] Includes accruals adjustment.
[4] Cash expenditure on subsidiaries and trade investments in the UK.
[5] The NBR seasonal adjustments include day-of-week adjustments the quarterly figures therefore do not always sum to the annual totals.
[6] Includes Bank of England Issue Department transactions in commercial bills.

## Industrial and commercial companies capital account and financial surplus/deficits




[1]Corresponds to the increase in book values of stocks and work in progress which is equal to the value of physical increase plus stock appreciation.

## Industrial and commercial companies net borrowing requirement



## UK Banks' lending[1] to UK residents

£ million, seasonally adjusted[2]

| | | Lending to public sector | | | Lending to private sector | | |
|---|---|---|---|---|---|---|---|
| | | Total | Sterling | Other currencies[3] | Total | Sterling | Other currencies[3] |
| **Transactions** | | | | | | | |
| 1977 | | 2378 | 1696 | 682 | 4707† | 3492† | 1215† |
| 1978 | | — 289 | 123 | — 412 | 5730 | 4710 | 1020 |
| 1979 | | 925 | 1540 | — 615 | 9475 | 8573 | 902 |
| 1980 | | 1662 | 2374 | — 712 | 10900 | 9622 | 1278 |
| 1981 | | — 547 | 252 | — 799 | 11656 | 8881 | 2775 |
| 1982 | | —2267 | —2215 | — 52 | 14663 | 12924 | 1739 |
| 1977 | *1* | 590 | 87 | 503 | 989 | 535 | 454 |
| | *2* | — 38 | — 38 | — | 816 | 755 | 61 |
| | *3* | 938 | 689 | 249 | 1229 | 1143 | 86 |
| | *4* | 903 | 973 | — 70 | 1682 | 1063 | 619 |
| 1978 | *1* | — 109 | 120 | — 229 | 918 | 850 | 68 |
| | *2* | —1592 | —1353 | — 239 | 1665 | 1319 | 346 |
| | *3* | 302 | 362 | — 60 | 1537 | 1199 | 338 |
| | *4* | 1123 | 1007 | 116 | 1738 | 1471 | 267 |
| 1979 | *1* | — 966 | — 804 | — 162 | 2636 | 2502 | 134 |
| | *2* | 340 | 511 | — 171 | 2377 | 2057 | 320 |
| | *3* | 485 | 636 | — 151 | 2100 | 1993 | 107 |
| | *4* | 808 | 939 | — 131 | 2307 | 1970 | 337 |
| 1980 | *1* | — 392 | — 220 | — 172 | 2894 | 2661 | 233 |
| | *2* | 554 | 532 | 22 | 3255 | 2514 | 741 |
| | *3* | — 285 | 119 | — 404 | 3424 | 3155 | 269 |
| | *4* | 1902 | 2060 | — 158 | 1301 | 1262 | 39 |
| 1981 | *1* | 1218 | 1142 | 76 | 375 | — 52 | 427 |
| | *2* | —1054 | — 293 | — 761 | 3250 | 3435 | — 185 |
| | *3* | — 107 | 111 | — 218 | 4007 | 2674 | 1333 |
| | *4* | — 441 | — 545 | 104 | 3849† | 2649† | 1200† |
| 1982 | *1* | — 857† | — 869 | 12 | 2391 | 1986 | 405 |
| | *2* | —1237 | —1233 | — 4 | 4323 | 4120 | 203 |
| | *3* | — 762 | — 773 | 11 | 3469 | 3162 | 307 |
| | *4* | —1027 | — 956 | — 71 | 4703 | 3879 | 824 |

[1] UK banking sector: changes in assets. From the second quarter 1975 transactions have been entered as far as possible on a cash receipts/payments basis.

[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

[3] For the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.

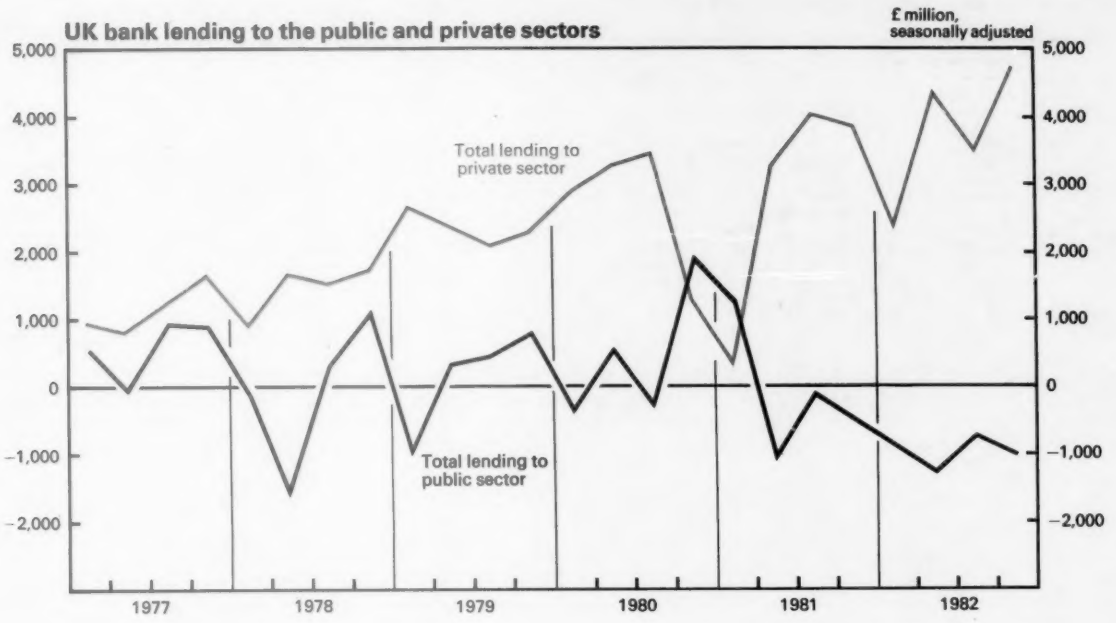
## UK banks' advances and acceptances to UK residents[1]

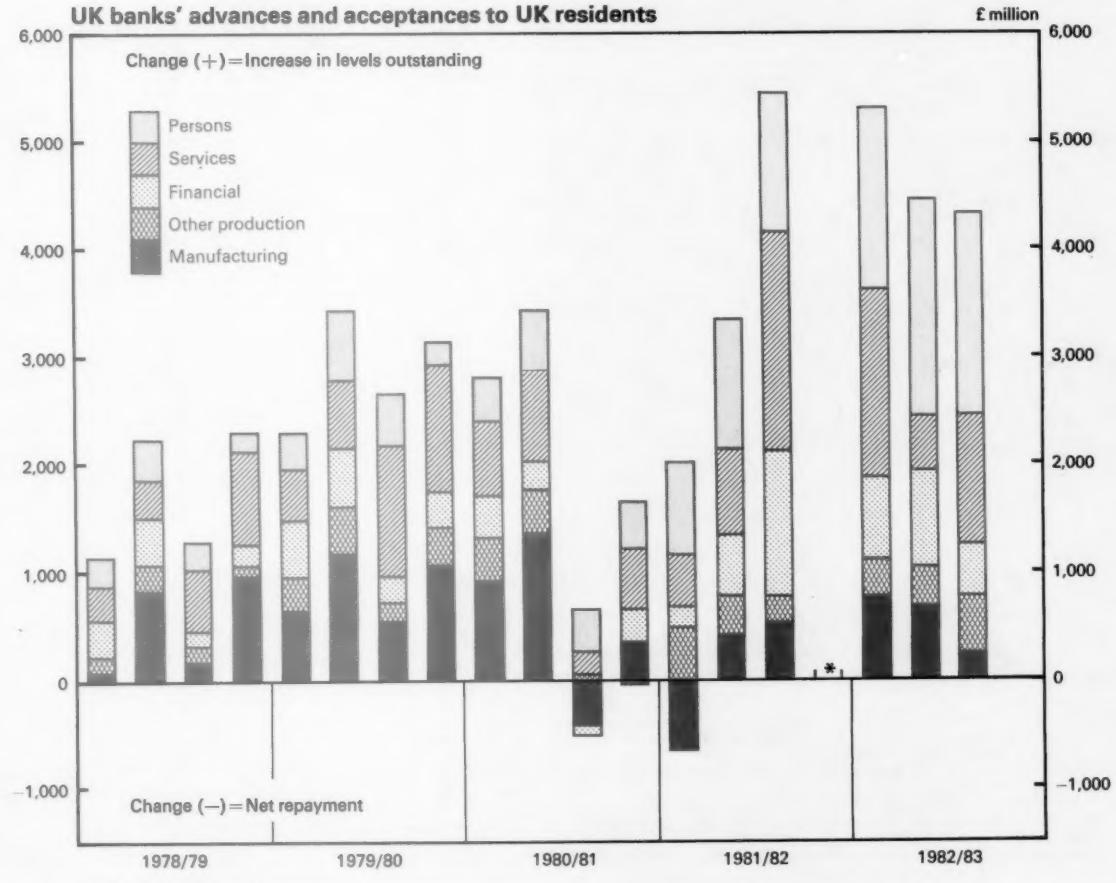
£ million

| | | Total advances and acceptances | Manufacturing | Other production | Financial | Services | Persons |
|---|---|---|---|---|---|---|---|
| **Amounts outstanding (November 1982):** | | 104,340 | 23,345 | 10,653 | 17,655 | 31,516 | 21,170 |
| **Changes** | | | | | | | |
| 1979 | August–November | 2,681 | 541 | 181 | 248 | 1,228 | 483 |
| | November–February | 3,151 | 1,075 | 348 | 333 | 1,173 | 221 |
| 1980 | February–May | 2,818 | 912 | 411 | 382 | 699 | 415 |
| | May–August | 3,449 | 1,374 | 411 | 245 | 867 | 551 |
| | August–November | 153 | —429 | 44 | — 74 | 223 | 389 |
| | November–February | 1,628 | 352 | —35 | 306 | 550 | 455 |
| 1981 | February–May | 1,351 | —658 | 494 | 190 | 483 | 842 |
| | May–August | 3,358† | 417 | 363 | 559† | 810† | 1,209 |
| | August–November | 5,432 | 532† | 256 | 1,330 | 2,034 | 1,280 |
| | November–February[2] | .. | .. | .. | .. | .. | .. |
| 1982 | February–May | 5,301 | 794 | 316 | 770 | 1,741 | 1,680† |
| | May–August | 4,461 | 683 | 351 | 901 | 519 | 2,008 |
| | August–November | 4,326 | 246 | 541 | 481 | 1,166 | 1,891 |

[1] For a more detailed breakdown of these figures see *Financial Statistics* Table 6.7. The analysis covers advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the specialised financial markets, such as the local authority money market or the finance company deposit market. Acceptances are not granted to persons.

[2] Due to the implementation of the new monetary sector, changes for the November 1981 – February 1982 period cannot be calculated.




* See footnote [2] page 64

## Interest rates, security prices and yields

| | Percentage rate | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Last Friday | | | | | | | | Last working day | | Average of working days | | | |
| | Bank of England's minimum lending rate to the market[1] | Treasury bill yield[2] | Deposits with local authorities (3 months)[3] | London clearing banks: Base rate | London clearing banks: Deposit account: 7 days' notice[4] | Inter-bank (3-month rate)[5] | Sterling certificates of deposit (3 months) | Euro-dollar 3-month rate | Building Societies Association recommended rate on shares[6] | British government securities: long dated[7] (20 years) | *Financial Times* index of industrial ordinary shares (1 July 1935 = 100): Price index | Dividend yield | Earnings yield[8] |
| 1974 | 11½ | 11.30 | 13½ | 12 | 9½ | 12½–12⅝ | 12⅝–12⅝ | 10 1/16 | 7.50 | 14.77 | 251.2 | 8.23 | 21.47 |
| 1975 | 11½ | 10.93 | 11½–11⅝ | 11 | 7 | 11 7/16–11 5/16 | 11 –11½ | 5⅛ | 7.00 | 14.39 | 311.0 | 6.81 | 19.49 |
| 1976 | 14½ | 13.98 | 14⅜–15 | 14 | 11 | 14½–14⅝ | 14 1/16–14⅜ | 5 1/16 | 7.80 | 14.43 | 368.0 | 5.96 | 17.61 |
| 1977 | 7 | 6.39 | 6⅜ | 6½–7½ | 3½–4½ | 6 5/16– 6⅜ | 6⅜ – 6 7/16 | 7 1/16 | 6.00 | 12.73 | 452.3 | 5.42 | 16.50 |
| 1978 | 12½ | 11.91 | 12⅜ –12½ | 12½ | 10 | 12 7/16–12⅜ | 12⅜ –12½ | 11 1/16 | 8.00 | 12.47 | 479.4 | 5.65 | 16.47 |
| 1979 | 17 | 16.49 | 16 1/16–17⅛ | 17 | 15 | 16 1/16–17 1/16 | 16 1/16–16⅞ | 14⅛ | 10.50 | 12.99 | 475.5 | 6.49 | 16.61 |
| 1980 | 14 | 13.58 | 14⅜ –14⅞ | 14 | 11½–12 | 14⅜ –14⅞ | 14⅜ –14⅞ | 17½ | 10.50 | 13.79 | 464.5 | 7.62 | 18.14 |
| 1981 | .. | 15.39 | 15½ –15 1/16 | 14½ | 12½–12½ | 15 7/16–15⅜ | 15⅜ –15½ | 13¾ | 9.75 | 14.75 | 518.5 | 6.23 | 12.12 |
| 1982 | .. | 10.20 | | | | | | | | | | | |
| 1979 *N* | 17 | 16.77 | 16⅞ | 17 | 15 | 16⅜ –16 1/16 | 16⅛ –16⅜ | 14 5/16 | 8.75 | 14.54 | 415.9 | 7.88 | 19.07 |
| *D* | 17 | 16.49 | 16 1/16–17¼ | 17 | 15 | 16 1/16–17 1/16 | 16 1/16–16⅜ | 14½ | 10.50 | 14.72 | 419.8 | 7.70 | 18.78 |
| 1980 *J* | 17 | 16.39 | 17¼ –17⅜ | 17 | 15 | 17¼ –17¼ | 17⅛ –17 1/16 | 14 3/16 | 10.50 | 14.17 | 440.7 | 7.43 | 18.42 |
| *F* | 17 | 16.80 | 18¼ –18⅜ | 17 | 15 | 18 1/16–18¼ | 18 –18¼ | 16 1/16 | 10.50 | 14.45 | 460.7 | 7.17 | 17.64 |
| *M* | 17 | 16.97 | 18⅜ –18½ | 17 | 15 | 18¼ –18⅜ | 17 15/16–18 1/16 | 19 1/16 | 10.50 | 14.70 | 440.8 | 7.75 | 19.26 |
| *A* | 17 | 16.73 | 17¼ –17⅜ | 17 | 15 | 17¼ –17 7/16 | 17 1/16–17 5/16 | 13 1/16 | 10.50 | 14.27 | 435.5 | 8.04 | 19.73 |
| *M* | 17 | 16.73 | 17⅛ –17¼ | 17 | 15 | 17 –17⅛ | 16 15/16–17 1/16 | 9½ | 10.50 | 14.01 | 432.4 | 8.21 | 20.05 |
| *J* | 17 | 16.32 | 17 | 17 | 15 | 16⅜ –17 | 16 1/16–16⅜ | 9½ | 10.50 | 13.78 | 451.2 | 7.96 | 19.20 |
| *J* | 16 | 14.98 | 15¼ –15⅜ | 16 | 14 | 15 5/16–15 9/16 | 15¼ –15⅜ | 9 1/16 | 10.50 | 13.07 | 488.5 | 7.42 | 17.96 |
| *A* | 16 | 15.53 | 16⅛ –16¼ | 16 | 14 | 16⅛ –16 1/16 | 16 1/16–16 1/16 | 12¼ | 10.50 | 13.58 | 484.9 | 7.48 | 17.68 |
| *S* | 16 | 14.86 | 15⅞ | 16 | 14 | 15 1/16–15⅞ | 15⅞ –15⅞ | 13 1/16 | 10.50 | 13.38 | 491.7 | 7.45 | 17.28 |
| *O* | 16 | 14.90 | 16⅛ –16⅜ | 16 | 14 | 16⅛ –17 | 16 1/16–16 1/16 | 15¼ | 10.50 | 13.12 | 483.8 | 7.59 | 17.14 |
| *N* | 14 | 13.38 | 14¼ –14⅜ | 14 | 11½–12 | 14 1/16–14 1/16 | 14 1/16–14 1/16 | 18 1/16 | 10.50 | 13.22 | 493.4 | 7.35 | 16.43 |
| *D* | 14 | 13.58 | 14⅜ –14⅞ | 14 | 11½–12 | 14⅜ –14⅞ | 14⅜ –14⅜ | 17⅜ | 10.50 | 13.67 | 470.1 | 7.56 | 16.93 |
| 1981 *J* | 14 | 13.02 | 13 1/16–13⅞ | 14 | 11¼ | 13⅜ –13 1/16 | 13¼ –13⅜ | 17 7/16 | 9.25 | 13.96 | 459.6 | 7.78 | 17.44 |
| *F* | 14 | 11.93 | 12⅜ –12⅜ | 14 | 11¼ | 12 7/16–12 1/16 | 12⅜ –12⅜ | 16 1/16 | 9.25 | 13.89 | 487.0 | 7.35 | 16.38 |
| *M* | 12 | 11.87 | 12⅜ –12 1/16 | 12 | 9 | 12⅜ –12⅜ | 12¼ –12⅜ | 14⅞ | 9.25 | 13.68 | 497.8 | 6.78 | 14.39 |
| *A* | 12 | 11.57 | 12 5/16 | 12 | 9 | 12 5/16–12⅜ | 12¼ –12 5/16 | 16 3/16 | 8.50 | 13.64 | 559.2 | 5.88 | 11.57 |
| *M* | 12 | 11.78† | 12¼ –12⅜ | 12 | 9 | 12 7/16–12 9/16 | 12¼ –12⅜ | 17⅜ | 8.50 | 14.31 | 557.8 | 5.91 | 11.59 |
| *J* | 12 | 12.24 | 12 7/16–12⅜ | 12 | 9 | 12 7/16–12⅝ | 12⅜ –12¼ | 17 1/16 | 8.50 | 14.57 | 545.0 | 5.92 | 11.73 |
| *J* | 12 | 14.29 | 14⅜ –14⅜ | 12 | 9 | 14⅜ –14⅜ | 14¼ –14 9/16 | 18⅜ | 8.50 | 15.14 | 528.2 | 6.01 | 11.70 |
| *A* | .. | 13.64 | 14 1/16–14¼ | 12 | 9 | 14 –14 1/16 | 13 15/16–13 15/16 | 18 1/16 | 8.50 | 15.09 | 554.4 | 5.51 | 9.83 |
| *S* | .. | 15.72 | 15⅜ –15½ | 14 | 11–11¼ | 15 5/16–16⅛ | 15⅜ –15 7/16 | 17⅞ | 8.50 | 15.59 | 525.0 | 5.76 | 9.99 |
| *O* | .. | 16.30 | 16¼ –16⅜ | 15½ | 13¼–14 | 16 5/16–16⅜ | 16¼ –16⅜ | 15 3/16 | 8.50 | 15.95 | 474.4 | 6.27 | 10.85 |
| *N* | .. | 14.25 | 14 1/16–15 | 15 | 13 | 14 1/16–14 1/16 | 14 1/16–14 1/16 | 12 | 9.75 | 15.44 | 511.1 | 5.86 | 9.92 |
| *D* | .. | 15.39 | 15½ –15 1/16 | 14½ | 12⅜–12½ | 15 5/16–15⅜ | 15⅜ –15⅜ | 13¾ | 9.75 | 15.65 | 522.8 | 5.76 | 10.05 |
| 1982 *J* | .. | 13.98 | 14⅛ | 14 | 11½–12 | 14 7/16–14⅜ | 14 5/16–14 5/16 | 14⅜ | 9.75 | 15.58 | 543.4 | 5.57 | 9.83 |
| *F* | .. | 13.74 | 13 15/16–14 | 13½ | 11 | 14 –14⅛ | 13⅞ –14 | 15 | 9.75 | 14.74 | 565.6 | 5.43 | 9.62 |
| *M* | .. | 12.92 | 13⅜ –13 1/16 | 13 | 10 –10½ | 13 5/16–13 1/16 | 13 5/16–13⅜ | 15 13/32 | 9.75 | 13.72 | 560.4 | 5.63 | 10.57 |
| *A* | .. | 13.41 | 13⅜ –13⅜ | 13 | 10 –10½ | 13⅜ –13 7/16 | 13⅜ –13 1/16 | 14 7/16 | 8.75 | 13.98 | 563.6 | 5.57 | 11.22 |
| *M* | .. | 13.08 | 13 7/16–13⅜ | 13 | 10 –10½ | 13 5/16–13½ | 13⅜ –13⅜ | 14 7/16 | 8.75 | 13.69 | 578.8 | 5.41 | 11.25 |
| *J* | .. | 12.66 | 13⅛ | 12½ | 9½ | 13 1/16–13 5/16 | 13 –13 1/16 | 15 11/32 | 8.75 | 13.56 | 570.0 | 5.49 | 11.45 |
| *J* | .. | 11.40 | 11⅞ | 12 | 9 | 11 11/16–12 | 11 11/16–11⅞ | 13 | 8.75 | 13.20 | 559.7 | 5.47 | 11.51 |
| *A* | .. | 10.17 | 10⅜ | 11 | 8 | 10 11/16–10⅞ | 10 9/16–10 11/16 | 11 9/16 | 8.75 | 12.23 | 561.1 | 5.28 | 11.58 |
| *S* | .. | 10.12 | 10⅛ | 10½ | 7½– 7⅞ | 10 11/16–10 13/16 | 10⅜ –10⅜ | 11½ | 7.75 | 11.40 | 580.6 | 5.02 | 11.02 |
| *O* | .. | 9.03 | 10⅜ | 9½ | 6 | 9 15/16– 9 11/16 | 9⅜ – 9½ | 10 13/32 | 7.75 | 10.50 | 602.0 | 4.76 | 10.54 |
| *N* | .. | 10.26 | 9⅞ | 9 | 5½ | 9 11/16–10⅛ | 9⅜ – 9⅝ | 9⅞ | 7.75 | 10.64 | 618.7 | 4.87 | 10.44 |
| *D* | .. | 9.96 | 10⅛ | 10–10¼ | 6½– 7 | 10 7/16–10⅜ | 10 5/16–10 5/16 | 9¼ | 6.25 | 11.34 | 592.8 | 5.03 | 10.81 |
| 1983 *J* | .. | 11.24 | 11¼ | 11 | 8 | 11⅛ –11⅜ | 11⅜ –11⅛ | 9 7/16 | 6.25 | 11.60 | 608.4 | 4.88 | 10.50 |
| *F* | .. | 11.15 | 11 7/16 | 11 | 8 | 11 7/16–11½ | 11 5/16–11 7/16 | 9 5/16 | 6.25 | 11.50 | 646.5 | 4.82 | 10.34 |

[1] Previously known as Bank Rate. From 20 August 1981 the Bank has suspended the announcement of Minimum Lending Rate.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 a.m.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields – see *Financial Statistics Explanatory handbook*.

[8] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.

Interest rates, and security yields
Percentage
20
18
16
14
12
10
8
6
4
2
0
Euro-dollar
3 month rate
Long-dated
government
securities
Inter-bank
3 month rate
*Financial Times* index of
industrial ordinary shares
earnings yield
*Financial Times* index of
industrial ordinary shares
dividend yield
1980
1981
1982
1983

# Cyclical indicators for the UK economy

**Recent movements of the indicators**

(*Data to 15 March*)

The cyclical indicators point to a continuing upswing in the business cycle. The longer leading, shorter leading and coincident composite indices have all increased over the latest few months.

The rise in the longer leading index was caused by improvements in housing starts, share prices and business optimism, partly offset by increases in interest rates. Improvements over trend in new car registrations and new orders reported by the CBI quarterly survey were the main contributors to the rise in the shorter leading index.

The main upward contributions to the coincident index in recent months have come from manufacturing production and retail sales. This index now shows a continuous rise from the trough of the business cycle in May 1981, reflecting the improvement over trend in economic activity.

After little movement throughout the second half of 1982, the lagging index rose in January and February because of improvements over trends in vacancies and unemployment.

**Definitions**

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

## Values and timing characteristics of the composite indices

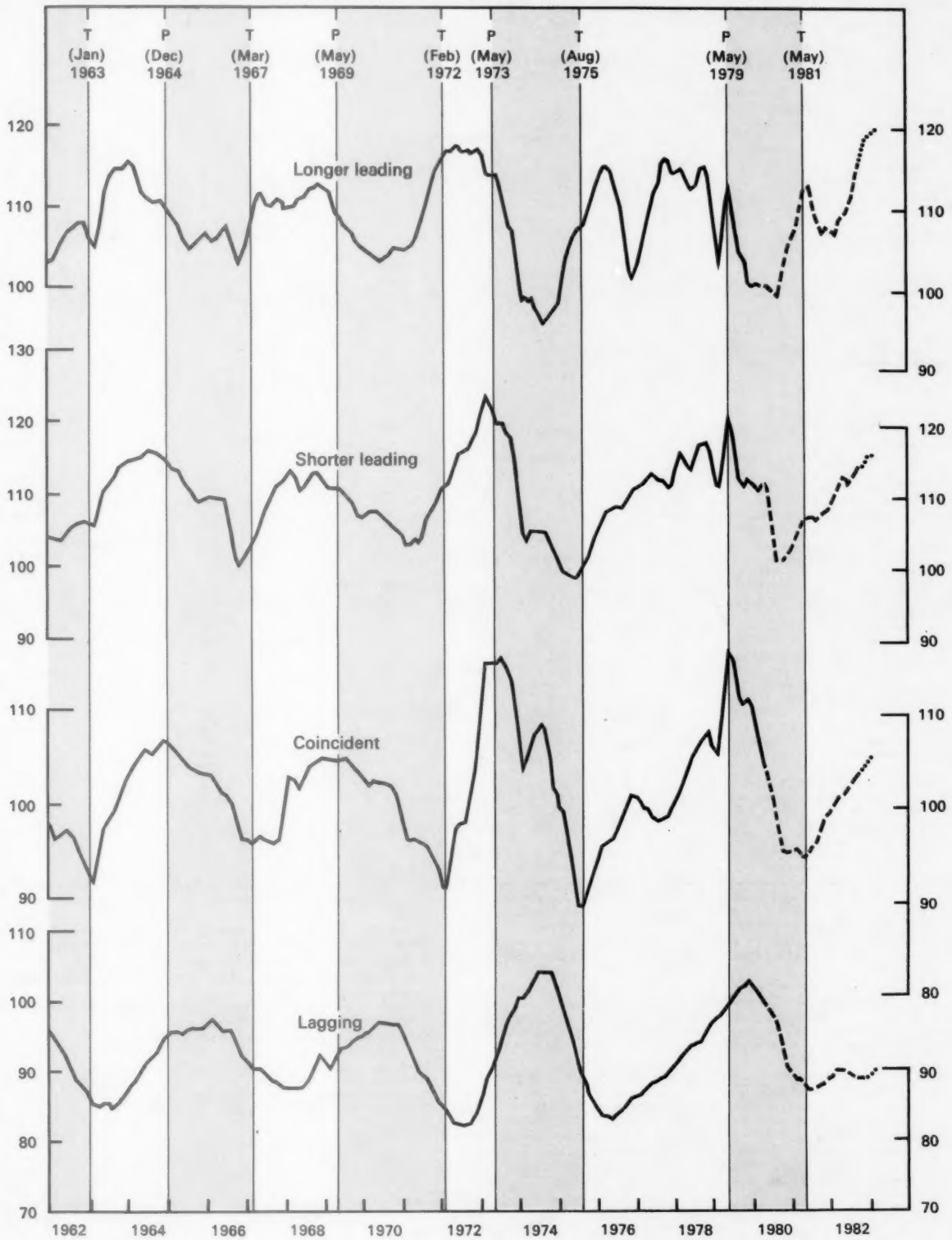
| | Most recent values January 1975 =100 | | | | | | | | | | | | | Lead (−) or lag (+) in months relative to reference cycle dates | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1982 | | | | | | | | | | | 1983 | | | | |
| | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mean | Earliest | Latest |
| Longer leading | 106.9 | 108.4 | 109.2 | 109.5 | 110.5 | 111·8 | 114.2 | 115.8 | 117.5 | 118.9 | 119.3 | 119.7 | 119.9 | −12 | −21 | − 7 |
| | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *4* | *4* | *4* | *4* | *2* | | | |
| Shorter leading | 110.1 | 111.4 | 112.6 | 112.9 | 112.5 | 113.0 | 113.4 | 114.1 | 113.8 | 114.2 | 115.0 | 115.2 | | − 6 | −12 | — |
| | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *4* | *4* | *4* | *4* | | | | |
| Coincident .. | 100.5 | 100.9 | 101.2 | 101.3 | 101.8 | 102.4 | 102.9 | 103.3 | 103.8 | 104.2 | 104.6 | 105.1 | | + 2 | − 1 | + 7 |
| | *7* | *7* | *7* | *7* | *7* | *7* | *7* | *7* | *5* | *5* | *5* | *4* | | | | |
| Lagging .. | 89.8 | 89.9 | 89.9 | 89.8 | 89.5 | 89.1 | 89.0 | 88.7 | 88.8 | 88.8 | 88.8 | 89.2 | 89.9 | +10 | + 5 | +15 |
| | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *5* | *4* | *2* | *2* | | | |

[1] A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further ten pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-233 7661.

## Cyclical indicators

**Composite indices of indicator groups. January 1975 =100**



## Measures of variability of selected economic series[1]

| | Page | Period covered | Average percentage changes $\overline{CI}$ | $\overline{I}$ | $\overline{C}$ | $\overline{I/C}$ | MCD or QCD | $\overline{I/C}$ for MCD (or QCD) span |
|---|---|---|---|---|---|---|---|---|
| **Quarterly series** | | | | | | | | |
| *National income and components at 1975 prices* | | | | | | | | |
| GDP, factor cost | | | | | | | | |
| Expenditure based | 6 | 1st quarter 1968 to 1st quarter 1981 | 1·2 | 0·8 | 0·7 | 1·1 | 2 | 0·5 |
| Income based | 6 | " " " " " " " | 1·2 | 0·9 | 0·8 | 1·1 | 2 | 0·3 |
| Output based | 6,28 | " " " " 2nd " " | 1·0 | 0·6 | 0·7 | 0·9 | 1 | 0·9 |
| Average estimate | 6 | " " " " 1st " " | 1·0 | 0·6 | 0·7 | 0·9 | 1 | 0·9 |
| Consumers' expenditure | 8,10 | " " " " 2nd " " | 1·2 | 0·8 | 0·8 | 0·9 | 1 | 0·9 |
| Fixed capital formation | | | | | | | | |
| Total | 8,16 | " " " " " " " | 2·1 | 1·6 | 1·1 | 1·5 | 2 | 0·6 |
| Manufacturing industry | 18 | " " " " " " " | 3·7 | 2·4 | 2·4 | 1·0 | 2 | 0·3 |
| Stockbuilding[2] | | | | | | | | |
| Total | 8,22 | " " " " " " " | *211·5* | *135·7* | *128·2* | 1·1 | 2 | 0·5 |
| Manufacturing | 22 | " " " " " " " | *147·0* | *93·1* | *81·6* | 1·1 | 2 | 0·5 |
| Exports: goods and services | 8 | " " " " 4th " 1980 | 3·3 | 2·6 | 1·8 | 1·4 | 2 | 0·6 |
| Imports: goods and services | 8 | " " " " " " " | 2·8 | 2·2 | 2·0 | 1·1 | 2 | 0·4 |
| Personal disposable income | 10 | " " " " 2nd " 1981 | 1·8 | 1·1 | 1·3 | 0·9 | 1 | 0·9 |
| *Other national income series* | | | | | | | | |
| Gross trading profits of companies | 60 | " " " " " " " | 5·4 | 2·7 | 4·3 | 0·6 | 1 | 0·6 |
| *Other quarterly series* | | | | | | | | |
| Construction output | 30 | 1st quarter 1955 to 2nd quarter 1981 | 2·3 | 1·2 | 1·6 | 0·8 | 1 | 0·8 |
| Public sector borrowing requirement[3] | 56 | " " 1971 " " " " | *602·0* | *447·2* | *256·0* | 1·8 | 2 | 0·9 |
| **Monthly series** | | | | | | | | |
| Retail sales | | | | | | | | |
| Total: current prices | 12 | January 1971 to December 1981 | 1·7 | 1·3 | 1·1 | 1·2 | 2 | 0·6 |
| Total: constant prices | 5,12 | " " " " " | 1·4 | 1·3 | 0·4 | 3·8 | 5 | 0·9 |
| Food retailers | 12 | " " " " " | 0·7 | 0·6 | 0·3 | 2·4 | 3 | 0·9 |
| Mixed retail businesses | 12 | " " " " " | 1·4 | 1·2 | 0·4 | 2·9 | 4 | 0·8 |
| Clothing and footwear retailers | 12 | " " " " " | 2·0 | 1·9 | 0·5 | 3·6 | 4 | 0·9 |
| Household goods retailers | 12 | " " " " " | 1·9 | 1·6 | 0·8 | 2·1 | 3 | 0·8 |
| Other non-food retailers | 12 | " " " " " | 1·2 | 1·0 | 0·4 | 2·4 | 3 | 0·9 |
| Cars: new registrations | 12 | October 1974 to December 1981 | 9·1 | 9·1 | 1·1 | 8·7 | 6 | |
| Housing: public authorities[4] | | | | | | | | |
| Starts | 20 | January 1956 to December 1981 | 12·3 | 12·2 | 2·0 | 6·1 | 6 | |
| Completions | 20 | " " " " " | 8·0 | 7·9 | 1·3 | 6·1 | 6 | 1·0 |
| Housing: private | | | | | | | | |
| Starts | 20 | " " " " " | 9·1 | 8·8 | 2·6 | 3·4 | 4 | 0·9 |
| Completions | 20 | " " " " " | 6·2 | 6·2 | 1·0 | 6·2 | 6 | 1·0 |
| Index of industrial production: | | | | | | | | |
| All industries | 5,26,28 | January 1973 to September 1982 | 1·0 | 0·9 | 0·5 | 1·9 | 3 | 0·8 |
| Manufacturing industries | 26, 28 | " " " " " | 1·3 | 1·2 | 0·5 | 2·3 | 3 | 0·9 |
| Passenger car production: | | | | | | | | |
| Home market | 32 | January 1968 to December 1981 | 12·9 | 12·6 | 2·0 | 6·3 | 6 | |
| Export | 32 | " " " " " | 12·8 | 12·3 | 2·1 | 5·9 | 6 | |
| Commercial vehicle production: | | | | | | | | |
| Home market | 32 | " " " " " | 10·6 | 9·9 | 2·1 | 4·7 | 6 | |
| Export | 32 | " " " " " | 10·7 | 10·2 | 2·2 | 4·6 | 6 | 1·0 |
| Unemployed excluding school-leavers[5] | 5,36 | January 1970 to December 1981 | *23·2* | *5·4* | *22·3* | 0·2 | 1 | 0·2 |
| Vacancies notified to employment offices[6] | 5,36 | January 1970 to December 1981 | *6·9* | *2·6* | *6·3* | 0·4 | 1 | 0·4 |
| Average earnings: whole economy | 40 | January 1976 to December 1980 | 1·1 | 0·2 | 1·1 | 0·2 | 1 | 0·2 |
| Exports: value, f.o.b.[7] | 48 | January 1963 to February 1981 | 4·8 | 4·5 | 1·3 | 3·5 | 4 | 0·9 |
| Imports: value, f.o.b.[7] | 48 | " " " " " | 4·5 | 4·2 | 1·4 | 2·9 | 4 | 0·7 |
| Money stock (sterling $M_3$)[3] | 5,52 | July 1971 to December 1977 | 1·3 | 0·6 | 1·2 | 0·5 | 1 | 0·5 |
| Domestic credit expansion[3] | 54 | July 1971 to September 1977 | 94·1 | 73·3 | 17·9 | 4·1 | 5 | 1·0 |

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I/C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I/C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

[7] The figures have been updated as described in an article in *Economic Trends*, No. 320, June 1980.

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# United Kingdom balance of payments in the fourth quarter and year 1982

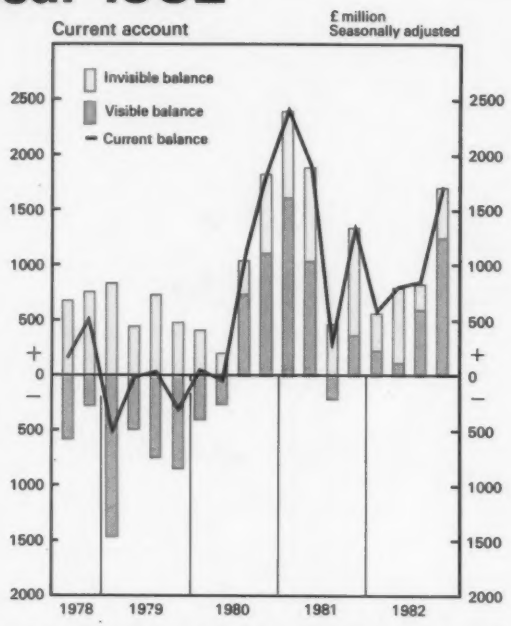
**Summary**

The *current account* (seasonally adjusted) showed a surplus of £1·7 billion in the fourth quarter. This brings the surplus for 1982 as a whole to £3·9 billion, compared with the surplus of £6·0 billion in 1981. £2·2 billion of the surplus was due to visible trade and £1·7 billion to invisibles.

In the year 1982 there was a surplus on *visible trade* of £2·2 billion, a fall of £0·6 billion compared with 1981: there was an increase of £1·5 billion in the surplus on trade in oil, which was, however, more than offset by an increase of £2·1 billion in the deficit on non-oil goods. For these non-oil goods, the volume of imports rose by 7 per cent while the volume of exports changed very little. Their terms of trade barely altered.

There was a surplus of £0·4 billion on *invisibles* (seasonally adjusted) in the fourth quarter compared with £0·2 billion in the third quarter. The surplus on private sector services and interest, profits and dividends (IPD) together increased to £1·4 billion. Within private sector services, travel earnings recovered from the abrupt fall in the previous quarter while earnings from civil aviation continued to increase. Partly offsetting these increases, IPD credits were reduced as earnings of UK companies from abroad remained depressed; there were also lower net interest receipts by UK banks on foreign currency borrowing and lending. The balance on general government transactions also improved as a result of the unusually high figure for government receipts from the European Community in the fourth quarter.

Despite the recovery in the fourth quarter, the provisional estimate of the surplus on invisibles for 1982 as a whole is £1·7 billion, compared with £3·1 billion in 1981. The surplus on private sector services and IPD fell by £0·7 billion to £5·7 billion in 1982. The surplus on private sector services barely changed between the years but that on IPD weakened sharply from £1·7 billion to £1·1 billion in 1982. Within private sector IPD the deterioration reflected a much reduced balance of earnings from direct investment and investment by oil companies. There were sharp increases in payments and receipts of interest by UK banks reflecting continued growth in the levels of borrowing and lending, the sterling value of the foreign currency elements being further increased by the falling sterling exchange rate. The balances on the invisibles transactions of the government sector showed some deterioration in 1982; in particular government services debits rose by £247 million partly because of higher military expenditure overseas.




## Summary balance of payments

TABLE A

| | £ million | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 1981 | | | | 1982 | | | |
| | 1980 | 1981 | 1982 | 1st qtr | 2nd qtr | 3rd qtr | 4th qtr | 1st qtr | 2nd qtr | 3rd qtr | 4th qtr |
| | Seasonally adjusted | | | | | | | | | | |
| Visible trade (balance) | +1,233 | +2,870 | +2,228 | +1,631 | +1,046 | − 200 | + 393 | + 234 | + 123 | + 609 | +1,262 |
| Invisibles (balance): | | | | | | | | | | | |
| Services | +4,076 | +4,061 | +3,701 | +1,090 | +1,032 | + 964 | + 975 | +1,046 | + 972 | + 740 | + 943 |
| Interest, profits and dividends | − 273 | +1,011 | + 237 | + 203 | + 384 | + 179 | + 245 | − 173 | + 394 | + 77 | − 61 |
| Transfers | −2,107 | −1,981 | −2,218 | − 513 | − 558 | − 649 | − 261 | − 518 | − 686 | − 579 | − 435 |
| Total | +1,696 | +3,091 | +1,720 | + 780 | + 858 | + 494 | + 959 | + 355 | + 680 | + 238 | + 447 |
| **Current balance** | +2,929 | +5,961 | +3,948 | +2,411 | +1,904 | + 294 | +1,352 | + 589 | + 803 | + 847 | +1,709 |
| | Not seasonally adjusted | | | | | | | | | | |
| Current balance | +2,929 | +5,961 | +3,948 | +2,536 | +1,495 | + 306 | +1,624 | + 905 | + 292 | + 707 | +2,044 |
| Investment and other capital transactions | −1,831 | −7,082 | − 639 | −3,878 | −1,914 | −1,160 | − 130 | − 335 | + 130 | − 719 | + 285 |
| Allocation of SDRs | + 180 | + 158 | — | + 158 | — | — | — | — | — | — | — |
| Official financing: | | | | | | | | | | | |
| Official reserves (drawings on, +: additions to, −) | − 291 | +2,419 | +1,421 | − 319 | +1,448 | +1,167 | + 123 | + 11 | + 699 | − 288 | + 999 |
| Other official financing | −1,081 | −1,732 | − 137 | — | −1,283 | − 458 | + 9 | + 20 | − 38 | + 41 | − 160 |
| Balancing item | + 94 | + 276 | −4,593 | +1,503 | + 254 | + 145 | −1,626 | − 601 | −1,083 | + 259 | −3,168 |

The substantial surplus on current account implies a corresponding increase in the United Kingdom's net external assets, in other words an outflow on *capital account*. In the fourth quarter of 1982 there were net drawings on official reserves of £1·0 billion and investment and other capital transactions, not seasonally adjusted and including unidentified transactions, showed a net outflow of £2·9 billion. At this stage information on capital movements is provisional and incomplete and there is an abnormally high balancing item. Banks' external capital flows remained substantial, largely continuing the trends of recent quarters and resulting in a net inflow overall. The outflow of private investment overseas, though continuing at a substantial level, was smaller than in previous quarters of 1982.

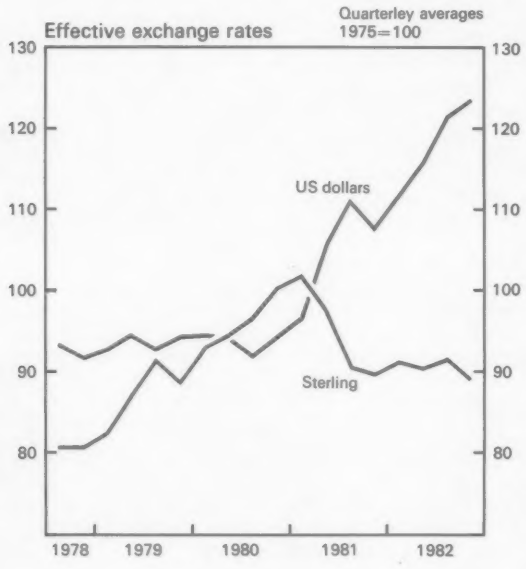
Net capital movements identified in the four quarters of 1982 were much smaller than during 1981, with alternating outflows and inflows. In total there was a net outflow of £0·6 billion in 1982 compared with £7·1 billion in 1981. Banks' external capital flows resulted in larger net inflows, particularly in foreign currencies, than in 1981. Net investment overseas by UK residents remained substantial though lower than in 1981; there was a marked fall in direct investment by UK parent companies but this was largely offset by increased portfolio investment.

Over the year there were drawings on the official reserves of £1·4 billion. This was much smaller than in 1981 when there had been substantial net repayments of official borrowing.

## DETAIL

### The exchange rate

The sterling exchange rate fell against the dollar throughout the year reaching $1.6175 at the end of 1982 compared with $1.9110 at the end of 1981. The exchange rate was, however, stronger for much of the year against other currencies so that the effective exchange rate for sterling did not fall to any extent until November. Subsequently the sterling market was unsettled, in particular by oil factors, and the effective rate fell to 84·3 at the end of the year after having been around 90–92 for most of 1982 (average 1975=100).




### Visible trade

The surplus on visible trade in the fourth quarter of 1982 was higher than in the other three quarters combined and, at £1,262 million, compares with £609 million in the third quarter. This substantial increase is composed of an increase of £423 million in the surplus on oil trade and a decrease of £230 million in the deficit on non-oil trade. The latter change mainly reflects an improvement in the balance of trade in manufactured goods.

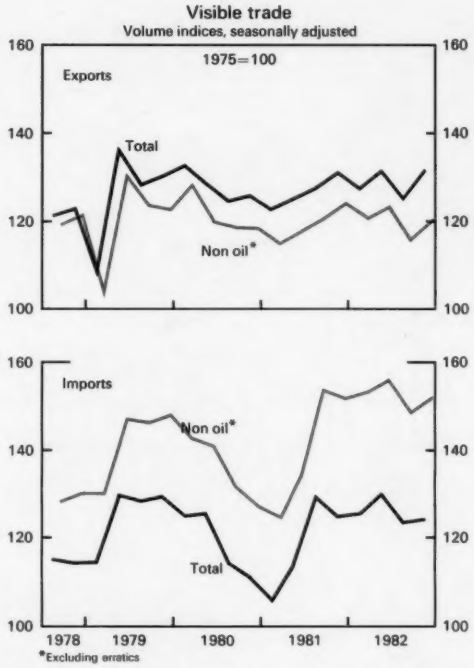
**Visible trade**

TABLE B (See also Appendix Tables 2 and 3)

| | Seasonally adjusted | | | |
|---|---|---|---|---|
| | | | 1982 | |
| | 1981 | 1982 | 3rd qtr | 4th qtr |
| **Value (£ million)** | | | | |
| Exports .. .. | 50,977 | 55,545 | 13,702 | 14,586 |
| Imports .. .. | 48,107 | 53,317 | 13,093 | 13,324 |
| Visible balance .. | +2,870 | +2,228 | + 609 | +1,262 |
| **Volume (1975 =100)** | | | | |
| Exports .. .. | 126·6 | 128·9 | 125·1 | 131·4 |
| Imports .. .. | 118·6 | 125·8 | 123·7 | 124·0 |

Exports in the fourth quarter were valued at £14,586 million, an increase of £884 million over the third quarter. Exports of oil rose by £210 million, whilst those of non-oil goods increased by £674 million. The increase in volume of total exports was some 5 per cent and the underlying level of export volume, after some weakening in the middle of the year, appears to have been higher in the fourth quarter than that in the first half of the year.

Imports in the fourth quarter, valued at £13,324 million, were some £231 million higher than in the third quarter.



Non-oil imports rose by £444 million, being however partly offset by a fall in oil imports of £213 million. The volume of total imports was about the same in the fourth quarter as in the third, and it seems the underlying level of imports changed little during 1982.

The terms of trade (excluding oil) were the same in the fourth quarter as in the third as the unit value indices (excluding oil) for both exports and imports rose by 1½ per cent.

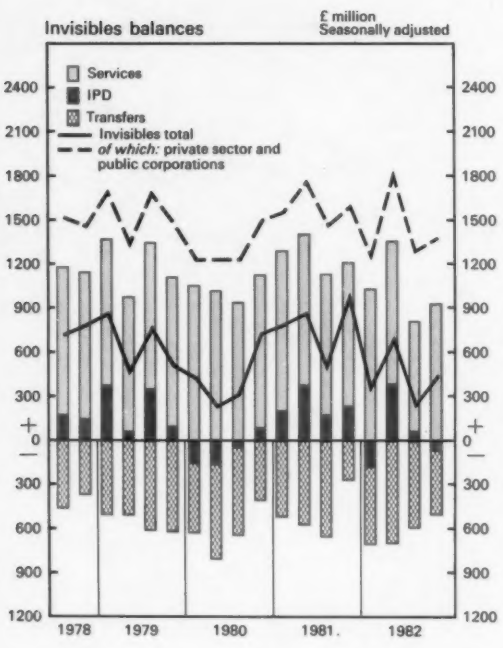
For 1982 as a whole, the surplus on visible trade is estimated to be £2,228 million, £642 million less than in 1981. An improvement in the oil balance of £1,493 million was more than offset by a deterioration of £2,135 million on the non-oil balance mainly due to manufactures.

The value of exports in 1982 was 9 per cent higher than in 1981. The increase in volume is estimated at nearly 2 per cent whereas prices rose by 7 per cent. Imports, on the other hand, were 11 per cent higher in value and as much as 6 per cent higher in volume.

The terms of trade (excluding oil) barely altered between 1981 and 1982 as both the unit value indices (excluding oil) rose by nearly 7 per cent.

## Invisibles

Despite some recovery in the fourth quarter, the surplus of £1·7 billion on invisibles for the year 1982 compares with £3·1 billion in the year 1981. The rise between the third and fourth quarters was mainly due to a larger surplus on private sector services and a smaller deficit on government transfers; the balance on IPD deteriorated. The deterioration between 1981 and 1982 was mainly due to a smaller surplus on private sector IPD and larger deficits on government services and transfers.




**Invisibles**

TABLE C (See also Appendix Table 4)

| | Seasonally adjusted | | | |
|---|---|---|---|---|
| | £ million | | | |
| | | | 1982 | |
| | 1981 | 1982 | 3rd qtr | 4th qtr |
| Credits | 29,267 | 30,627 | 7,594 | 7,838 |
| Debits | 26,176 | 28,907 | 7,356 | 7,391 |
| Balance | +3,091 | +1,720 | + 238 | + 447 |
| *of which:* | | | | |
| Private sector and public corporations: services and IPD | +6,370 | +5,706 | +1,285 | +1,376 |
| General government transactions and private transfers | −3,279 | −3,986 | −1,047 | − 929 |

## Services

The balance on services increased in the fourth quarter by £203 million as credits rose and debits fell slightly: the balances on travel, civil aviation and 'other services' all improved whilst the deficit on dry cargo sea transport increased. In volume terms, exports of services rose slightly and imports fell substantially.

For 1982 as a whole, the surplus on services fell from £4,061 million in 1981 to £3,701 million in 1982: deteriorations in the dry cargo, travel and government accounts were only partly offset by improvements in financial and 'other services'. In volume terms, imports of services were unchanged whilst exports fell over 2 per cent.

### *Sea transport*

Provisional estimates of sea transport transactions show a marked increase in the overall deficit for the fourth quarter, as the surplus on tankers fell slightly while the deficit on dry cargo shipping increased. The overall deficit for 1982 as a whole is substantially greater than in 1981 and previous years. However, much of this deterioration reflects a price effect with the deficit in constant prices being only just greater than in 1981.

Dry cargo debits increased in both the fourth quarter and 1982 as a whole, mainly as a result of higher payments for freight on imports. Credits decreased in the fourth quarter due to reductions in freight on cross-trade earnings, charter receipts and disbursements in the United Kingdom which together more than offset a recovery in passenger revenue. For 1982 as a whole, however, dry cargo credits remained steady, with increases in freight on cross-trades and foreign operators' disbursements being largely offset by decreases in charter receipts and freight on exports.

Tanker credits fell in the fourth quarter mainly as a result of lower freight receipts. Debits rose slightly, with higher disbursements abroad more than offsetting a fall in voyage charter payments. Although the decline in the tanker market has been evident throughout 1982, reflecting both the continued weakness in world oil demand and the decline in OPEC production levels, the tanker surplus increased slightly for 1982 as a whole as the debits fell more than the credits. All debit items decreased especially disbursements abroad, freight on imports and voyage charter payments. Within credits, however, a large decrease in freight receipts was partly offset by increases in charter receipts and bunker disbursements in the United Kingdom.

**Services**

TABLE D (See also Appendix Tables 3 and 5)

| | Seasonally adjusted | | | |
|---|---|---|---|---|
| | £ million | | | |
| | | | 1982 | |
| | 1981 | 1982 | 3rd qtr | 4th qtr |
| **Credits** | | | | |
| Government | 439 | 410 | 76 | 96 |
| Sea transport | 3,784 | 3,577 | 893 | 844 |
| Civil aviation | 2,359 | 2,471 | 613 | 652 |
| Travel | 2,970 | 3,229 | 736 | 858 |
| Financial services | 1,954 | 2,132 | 515 | 517 |
| Other services | 5,170 | 5,657 | 1,402 | 1,455 |
| Total | 16,676 | 17,476 | 4,235 | 4,422 |
| **Volume:** total services credits (1975 = 100) | 99·0 | 96·5 | 94·0 | 94·6 |
| **Debits** | | | | |
| Government | 1,065 | 1,312 | 314 | 338 |
| Sea transport | 3,887 | 3,961 | 963 | 998 |
| Civil aviation | 1,922 | 2,080 | 543 | 522 |
| Travel | 3,271 | 3,637 | 946 | 937 |
| Other services | 2,470 | 2,785 | 729 | 684 |
| Total | 12,615 | 13,775 | 3,495 | 3,479 |
| **Volume:** total services debits (1975 = 100) | 110·6 | 110·6 | 112·4 | 106·0 |
| **Balance** | +4,061 | +3,701 | + 740 | + 943 |
| *of which:* | | | | |
| Private sector and public corporations | +4,687 | +4,603 | + 978 | +1,185 |
| General government | — 626 | — 902 | — 238 | — 242 |

*Civil aviation*

The balance on civil aviation recovered by £60 million in the fourth quarter. Credits showed a marked increase as both UK airlines' passenger revenue and overseas airlines' disbursements in the United Kingdom rose. Receipts by overseas airlines from UK residents fell.

For the year 1982, however, the surplus fell slightly as the increase in debits exceeded that for credits. Apart from freight transactions most items within the account rose significantly, especially passenger revenues and disbursement payments and receipts.

*Travel*

The deficit on the travel account in the fourth quarter fell to £79 million, £131 million less than that now estimated for the third quarter. Credits increased as both the number of visitors to the United Kingdom and their average expenditure rose. Debits fell marginally, because although the number of UK visitors travelling abroad remained about the same, their average expenditure decreased.

For the year 1982, the deficit increased by £107 million to £408 million, the increase in debits exceeding that for credits.

Credits increased between 1981 and 1982 by about 9 per cent: the number of visitors to the United Kingdom increased by 2 per cent and their average expenditure rose in value by 7 per cent. Real average expenditure fell by about 2½ per cent. With the exception of EC countries, for which the number of visitors remained the same, visitors from all other areas increased slightly.

Debits rose by 11 per cent as the number of UK visitors travelling overseas increased by 7 per cent and their average expenditure rose by 4 per cent in value. Real average expenditure, however, fell by 7¼ per cent as weakening sterling increased overseas travel prices. Visits to Europe were substantially higher, more than offsetting fewer visits to more distant destinations.

*Financial and other services*

For 1982 as a whole the surplus on financial and other services increased by £350 million. Increased insurance claims on Lloyds from North America were offset by higher earnings elsewhere within financial and other services.

*Government services*

The deficit on government services increased by £276 million between 1981 and 1982 partly because of expenditure on the Falklands operation and lower receipts from Hong Kong in connection with the Defence Costs agreement.

**Interest, profits and dividends**

The balance on interest, profits and dividends swung into deficit in the fourth quarter, reducing the surplus for the year as a whole to £0·2 billion compared with £1·0 billion in 1981. Debits had risen sharply during 1982 largely because of a sharp increase in payments of interest by UK banks reflecting further growth in the levels of sterling deposits. Credits were almost the same in the two years as the depressed level of earnings of UK companies from

**Interest, profits and dividends**

TABLE E (See also Appendix Table 6)

| | Seasonally adjusted | | | |
|---|---|---|---|---|
| | £ million | | | |
| | | | 1982 | |
| | 1981 | 1982 | 3rd qtr | 4th qtr |
| **Credits** | | | | |
| Direct[1] | 3,597 | 3,147 | 757 | 727 |
| Portfolio | 796 | 936 | 238 | 257 |
| £ lending by UK banks and export credit | 1,343 | 1,648 | 404 | 392 |
| Foreign currency borrowing and lending by UK banks (balance) | 1,010 | 1,454 | 451 | 402 |
| Bank deposits and lending overseas | 584 | 539 | 132 | 108 |
| Other | 2,759 | 2,303 | 605 | 586 |
| Total | 10,089 | 10,027 | 2,587 | 2,472 |
| **Debits** | | | | |
| Direct[1] | 2,106 | 2,245 | 579 | 462 |
| Oil companies | 2,774 | 2,850 | 714 | 918 |
| Portfolio | 971 | 1,066 | 275 | 264 |
| Foreign currency borrowing by general government | 489 | 402 | 89 | 128 |
| Sterling liabilities | 1,902 | 2,282 | 619 | 546 |
| Other | 836 | 945 | 234 | 215 |
| Total | 9,078 | 9,790 | 2,510 | 2,533 |
| **Balance** | +1,011 | + 237 | + 77 | — 61 |
| *of which:* | | | | |
| Private sector and public corporations | +1,683 | +1,103 | + 307 | + 191 |
| General government | — 672 | — 866 | — 230 | — 252 |

[1] Excluding earnings of oil companies.

abroad was offset by sharp increases in receipts of interest by UK banks. The downward trend later in 1982 reflected falling interest rates, partly offset, in the case of foreign currency items, by lower exchange rates.

*Oil companies' earnings*

UK oil companies' earnings from overseas subsidiaries remained depressed both in the fourth quarter and the year 1982 as a whole. While oil production activities continued to be the mainstay of profits, total earnings were severely affected by continued weak demand for oil products, particularly petro-chemicals, and also by lower dollar oil prices. Annual earnings were less than half those recorded in the peak year of 1979. Overseas oil companies' earnings in the United Kingdom were marginally higher in 1982 but still lower than in 1980. Earnings from Continental Shelf operations continued to rise in line with higher production levels but onshore earnings dropped back further in the face of falling product prices and rising sterling costs, to represent only about 10 per cent of total earnings in 1982.

*Non-oil companies' direct investment earnings*

Earnings by UK non-oil parent companies from their affiliates overseas fell further in the fourth quarter and were over 10 per cent lower in the year 1982 than in the previous year, despite the fact that the depreciation of sterling during the year boosted earnings in sterling terms. The overseas economies contributing to UK direct investment earnings, such as North America and the European Community, were continuing to experience a downward trend in industrial activity throughout the year. The proportion of subsidiaries' profits being reinvested overseas fell back sharply in 1982. Overseas parent companies' earnings from subsidiaries and branches in the United Kingdom were slightly higher in 1982 as a whole although a downward trend was evident during the year and the fourth quarter's earnings were exceptionally low. The proportion of subsidiaries' profits, being reinvested in the United Kingdom continued to rise, having more than recovered from the fall in 1980.

*Other IPD credits*

Net interest flows to UK banks from foreign currency borrowing and lending were again over £0·4 billion in the fourth quarter of 1982. In the year as a whole net interest totalled nearly £1·5 billion compared with £1·0 billion in 1981. UK banks' earnings from sterling lending also rose substantially in 1982, by nearly 25 per cent to £1·6 billion. The further rise in the level of such lending more than offset the progressive fall in interest rates through 1982. Earnings from UK portfolio investments overseas continued to rise, reflecting both continuing substantial investment and the effect of the falling sterling exchange rate.

*Other IPD debits*

The main increase here in 1982 was in UK banks' interest payments on sterling deposit liabilities which rose to £1·9 billion from £1·5 billion in 1981. However, by the fourth quarter the effect of lower interest rates was becoming evident. Interest payments on UK liabilities denominated in foreign currencies were adversely affected by exchange rate movements in the fourth quarter in particular: dollar-denominated liabilities were affected throughout the year. On the other hand, dollar interest rates fell markedly during the year. Interest on UK general government debt was almost unchanged between 1981 and 1982, with increases on some items, such as gilts, offset by reductions elsewhere, notably as a result of the repayment in 1981 of the $2.5 billion eurodollar facility.

**Transfers**

TABLE F (See also Appendix Table 7)

| | Seasonally adjusted | | | |
|---|---|---|---|---|
| | £ million | | | |
| | | | 1982 | |
| | 1981 | 1982 | 3rd qtr | 4th qtr |
| **Credits** | | | | |
| Private | 844 | 967 | 247 | 263 |
| Government – EC: | | | | |
| Agricultural Fund | 683 | 791 | 186 | 285 |
| Social Fund | 107 | 152 | 48 | 68 |
| Regional Development Fund | 145 | 111 | 26 | 44 |
| Budget refunds | 693 | 1,019 | 255 | 254 |
| Other | 30 | 84 | 10 | 30 |
| Total government | 1,658 | 2,157 | 525 | 681 |
| **Debits** | | | | |
| Private | 1,119 | 1,207 | 303 | 310 |
| Government – EC | 2,188 | 2,878 | 757 | 703 |
| –Bilateral aid | 604 | 567 | 117 | 188 |
| –Other | 572 | 690 | 174 | 178 |
| **Balance** | −1,981 | −2,218 | − 579 | − 435 |

**Transfers**

The deficit on government transfers decreased in the fourth quarter by £0·1 billion as improvements on transactions with the EC more than offset increased payments elsewhere. Receipts from EC institutions rose by £0·2 billion mainly because of higher receipts from the Agricultural Guidance and Guarantee Fund. Payments to the EC institutions fell from a high third quarter figure.

For the year 1982 the deficit on government transfers deteriorated by a further £0·3 billion, of which £0·2 billion was attributable to an increasing deficit with the EC institutions. EC credits and debits both increased – the rise in credits mainly due to higher budget refunds in respect of the 1981 budget.

**Investment and other capital transactions**

There was an identified small net inflow of investment and other capital in the fourth quarter with the result that the total of identified movements for the year 1982 was a net outflow of £0·6 billion, in sharp contrast to the £7·1 billion outflow in 1981. Fourth quarter figures for 1982 are, as usual at this stage, incomplete: details of non-bank private UK residents' transactions with banks overseas are not yet available.

*Capital movements in the fourth quarter* of 1982 showed some changes which might be linked to the fall in sterling's exchange rate such as the much reduced net inflow to overseas residents' sterling bank deposits. On the other hand there were further substantial net purchases of gilts by private overseas residents; and official holders of gilts reversed their third quarter disinvestment in gilts, although, overall, official sterling holdings were unchanged in the fourth quarter. UK banks' sterling lending overseas was somewhat reduced though still substantial at nearly £1 billion. Net inflows from banks' foreign currency borrowing and lending were again large, at over £1·2 billion, and were at least partly matched by outward investment, including purchases of bonds by the banks on their own account (which are included within UK private portfolio investment overseas). The rather low level of total investment overseas by UK residents at £2·1 billion, reflected unusually low net direct investment, partly as a result of the disposal of assets by Harrison and

**Investment and other capital transactions**

TABLE G (See also Appendix Tables 8 to 13)

| | Not seasonally adjusted | | | |
|---|---|---|---|---|
| | £ million | | | |
| | | | 1982 | |
| | 1981 | 1982 | 3rd qtr | 4th qtr |
| Overseas investment in: | | | | |
| UK public sector .. | + 188 | + 327 | + 223 | + 266 |
| UK private sector .. | +3,168 | +3,317 | + 551 | + 907 |
| UK private investment overseas .. .. | −10,687 | −10,003 | −2,520 | −2,116 |
| Official long-term capital .. | − 336 | − 344 | − 2 | − 114 |
| Trade credit .. .. | − 817 | −1,451 | − 343 | − 643 |
| Foreign currency borrowing or lending abroad by UK banks .. .. .. | +1,471 | +4,700 | +1,264 | +1,239 |
| Changes in external £ liabilities .. .. | +2,756 | +4,572 | +1,284 | + 548 |
| External £ lending by UK banks[1] .. .. | −2,944 | −3,213 | −1,341 | − 982 |
| Other external borrowing or lending* .. .. | + 39 | + 954 | + 4 | + 562[2] |
| Other transactions .. | + 80 | + 502 | + 161 | + 618 |
| Total investment and other capital transactions .. | −7,082 | − 639 | − 719 | + 285 |
| * of which:— | | | | |
| Certain UK private sector transactions with banks overseas .. .. | + 31 | − 56[3] | − 355 | .. |

[1] Excluding credit for UK exports.
[2] See footnote to Appendix Table 8.
[3] January – September only.

Crosfield (previously reported as having taken place in the third quarter) and partly because of a very low level of profits retained overseas. Among new direct investments in the fourth quarter were those by the BOC group and Pilkington. Portfolio investment overseas continued to be substantial. Overseas direct investment in the United Kingdom was fairly strong in the fourth quarter after allowance is made for the sale by Woolworth of its UK interests. Portfolio investment in UK companies was also stronger after disinvestment in the preceding three quarters.

The main differences between *capital movements in* 1981 *and* 1982 were in banking and similar financial transactions rather than investment. Net inflows to *UK banks* were much higher in 1982. *Foreign currency borrowing and lending* brought an inflow of £4·7 billion in 1982 compared with £1·5 billion in 1981 partly reflecting the pattern of the rest of the UK private sector's transactions with the banks around the end of 1981 when tax payments, delayed by the civil service strike, had to be financed. *Sterling liabilities* (excluding gilts) increased by £4·6 billion in 1982 compared with £2·5 billion in 1981. *Other UK residents' borrowing and lending transactions* with banks, etc. overseas also contributed to the pattern of increased net inflows in 1982. On the other hand, *UK banks' sterling lending abroad* (excluding UK export credit) resulted in larger net outflows, rising from £2·9 billion in 1981 to £3·2 billion in 1982 continuing the substantial level of business recorded since exchange control abolition.

Investment transactions showed relatively little change in total between 1981 and 1982. Investment in the UK private sector rose slightly but was still much less than in 1980, reflecting direct investment movements: the pattern of direct investment has been distorted by various erratic factors in recent years. The underlying increase in 1982 appears to have been fairly small after the much sharper fall in 1981. Portfolio investment in UK company securities was unusually low in 1982, with net disinvestment in the first three quarters. Overall, investment by oil companies remained at a similar level to 1981. However, while Continental Shelf investment rose by some 10 per cent, investment onshore fell by 30 per cent, the latter reflecting poor profits in downstream markets.

*Investment in the UK public sector* amounted to £0·3 billion in 1982, partly recovering from the fall in 1981. The increase was in purchases of gilts, partly offset by a £0·1 billion redemption of the foreign currency bonds originally offered in 1977 to overseas official holders of sterling.

*UK private investment overseas* fell from £10·7 billion in 1981 to £10·0 billion in 1982 the fall more than accounted for by lower direct investment, possibly influenced by the higher cost of foreign currency as sterling fell. 1981 had seen some substantial company purchases, notably in the USA, whereas there were some sales in 1982. Oil companies' investment declined further in 1982 reflecting both considerable reductions in operating assets overseas through closures of surplus refining capacity and continuous destocking throughout much of 1982. Portfolio investment was about £1·6 billion greater in 1982 than 1981, having risen strongly since exchange controls were abolished.

**UK Continental Shelf oil and gas programme**

TABLE H (See also Appendix Table 14)

| | Not seasonally adjusted | | | |
|---|---|---|---|---|
| | | | 1982 | |
| | 1981 | 1982 | 3rd qtr | 4th qtr |
| **Volume of sales** | | | | |
| Gas (billion cubic metres) | 35·5 | 35·6 | 5·2 | 10·9 |
| Oil (million tonnes) .. | 89·6 | 101·4 | 26·0 | 26·8 |
| | £ million | | | |
| **Value of sales** | | | | |
| Gas .. .. .. | 843 | 970 | 139 | 322 |
| Oil .. .. .. | 12,341 | 14,392 | 3,754 | 4,085 |
| **Balance of payments entries** | | | | |
| Imports of goods .. | − 377 | − 418 | − 178 | − 131 |
| Imports *less* exports of services .. .. | − 561 | − 673 | − 200 | − 160 |
| IPD due abroad .. | −2,351 | −2,761 | − 668 | − 916 |
| Overseas investment in UKCS .. .. | +1,651 | +1,354 | + 346 | + 325 |

See footnotes to Appendix Table 14.

**UK Continental Shelf oil and gas programme**

The volume of oil sales continued to rise through 1982 and was some 13 per cent higher in the year than in 1981. In sterling value terms the rise was somewhat larger with the depreciation of sterling more than offsetting the effects of lower dollar oil prices – North Sea oil being priced in dollars. Company profits due to overseas parent companies rose by about 20 per cent over the 1981 level; the increase reflected a substantial rise in earnings in the fourth quarter resulting from a much lower level of tax provisions as unutilised tax allowances for earlier periods were employed. Company investment was also higher in 1982 but was stronger in the first half year than in the second. Other overseas investment in the Continental Shelf was reduced during the year as foreign currency borrowing from UK banks was repaid. The 'privatisation' of the British National Oil Corporation in the fourth quarter had no net effect on overseas investment.

**Technical note**

At the bottom of table G, a series is being shown separately for which no estimate is available for the latest quarter. This series forms a substantial part of the item 'other external borrowing or lending'. For this item and for the overall total of investment and other capital transactions, figures for earlier quarters can therefore be adjusted to be consistent with the latest quarter. The newly-identified series consists of deposits with and borrowing from banks as identified in data collected by the Bank for International Settlements.

*Central Statistical Office*

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APPENDIX

UNITED KINGDOM BALANCE OF PAYMENTS

SUMMARY

TABLE 1

£ million

| | | Seasonally adjusted | | | | | | Not seasonally adjusted | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Invisibles (balance) | | | | | | | | | | |
| | | Visible trade (balance) | Services | I.P.D. | Transfers | Total | Current balance | Current balance | Capital transfers | Investment and other capital transactions | Allocation of SDRs and gold subscription to IMF | Official financing | Balancing item |
| 1971 | | +190 | +625 | +502 | -193 | +934 | +1,124 | +1,124 | - | +1,790 | +125 | -3,271 | +232 |
| 1972 | | -748 | +701 | +538 | -244 | +995 | +247 | +247 | - | -684 | +124 | +1,141 | -828 |
| 1973 | | -2,586 | +786 | +1,257 | -438 | +1,605 | -981 | -981 | -59 | +166 | - | +771 | +103 |
| 1974 | | -5,351 | +1,083 | +1,415 | -420 | +2,078 | -3,273 | -3,273 | -75 | +1,594 | - | +1,646 | +108 |
| 1975 | | -3,333 | +1,519 | +773 | -480 | +1,812 | -1,521 | -1,521 | - | +137 | - | +1,465 | -81 |
| 1976 | | -3,929 | +2,449 | +1,365 | -760 | +3,054 | -875 | -875 | - | -3,009 | - | +3,628 | +256 |
| 1977 | | -2,284 | +3,259 | +118 | -1,115 | +2,262 | -22 | -22 | - | +4,169 | - | -7,361 | +3,214 |
| 1978 | | -1,542 | +3,722 | +615 | -1,777 | +2,560 | +1,018 | +1,018 | - | -4,293 | - | +1,126 | +2,149 |
| 1979 | | -3,449 | +3,958 | +892 | -2,254 | +2,596 | -853 | -853 | - | +2,247 | +195 | -1,905 | +316 |
| 1980 | | +1,233 | +4,076 | -273 | -2,107 | +1,696 | +2,929 | +2,929 | - | -1,831 | +180 | -1,372 | +94 |
| 1981 | | +2,870 | +4,061 | +1,011 | -1,981 | +3,091 | +5,961 | +5,961 | - | -7,082 | +158 | +687 | +276 |
| 1982 | | +2,228 | +3,701 | +237 | -2,218 | +1,720 | +3,948 | +3,948 | - | -639 | - | +1,284 | -4,593 |
| 1974 | 1 | -1,239 | +209 | +404 | -99 | +514 | -725 | -856 | - | +514 | - | +339 | +3 |
| | 2 | -1,405 | +256 | +386 | -99 | +543 | -862 | -847 | -29 | +685 | - | +319 | -128 |
| | 3 | -1,323 | +321 | +314 | -94 | +541 | -782 | -747 | -40 | +500 | - | - | +287 |
| | 4 | -1,384 | +297 | +311 | -128 | +480 | -904 | -823 | -6 | -105 | - | +988 | -54 |
| 1975 | 1 | -944 | +368 | +201 | -73 | +496 | -448 | -624 | - | +99 | - | +326 | +199 |
| | 2 | -713 | +376 | +142 | -146 | +372 | -341 | -334 | - | +90 | - | +572 | -328 |
| | 3 | -1,030 | +360 | +180 | -112 | +428 | -602 | -526 | - | +256 | - | +213 | +57 |
| | 4 | -646 | +415 | +250 | -149 | +516 | -130 | -37 | - | -308 | - | +354 | -9 |
| 1976 | 1 | -524 | +570 | +294 | -194 | +670 | +146 | -112 | - | -557 | - | +678 | -9 |
| | 2 | -1,048 | +548 | +350 | -167 | +731 | -317 | -338 | - | -1,755 | - | +1,955 | +138 |
| | 3 | -1,227 | +653 | +369 | -188 | +834 | -393 | -241 | - | -661 | - | +861 | +41 |
| | 4 | -1,130 | +678 | +352 | -211 | +819 | -311 | -184 | - | -36 | - | +134 | +86 |
| 1977 | 1 | -933 | +737 | +124 | -245 | +616 | -317 | -631 | - | +1,607 | - | -1,913 | +937 |
| | 2 | -917 | +816 | -11 | -280 | +525 | -392 | -450 | - | -4 | - | -908 | +1,362 |
| | 3 | -166 | +838 | -11 | -321 | +506 | +340 | +575 | - | +1,271 | - | -2,608 | +762 |
| | 4 | -268 | +868 | +16 | -269 | +615 | +347 | +484 | - | +1,295 | - | -1,932 | +153 |
| 1978 | 1 | -562 | +892 | +63 | -536 | +419 | -143 | -425 | - | -177 | - | -173 | +775 |
| | 2 | -159 | +816 | +224 | -396 | +644 | +485 | +322 | - | -2,224 | - | +1,494 | +408 |
| | 3 | -557 | +1,004 | +180 | -467 | +717 | +160 | +460 | - | -451 | - | -210 | +201 |
| | 4 | -264 | +1,010 | +148 | -378 | +780 | +516 | +661 | - | -1,441 | - | +15 | +765 |
| 1979 | 1 | -1,433 | +993 | +382 | -513 | +862 | -571 | -917 | - | +547 | +195 | -879 | +1,054 |
| | 2 | -479 | +922 | +62 | -511 | +473 | -6 | -179 | - | +855 | - | -758 | +82 |
| | 3 | -723 | +1,019 | +349 | -611 | +757 | +34 | +378 | - | +308 | - | -297 | -389 |
| | 4 | -814 | +1,024 | +99 | -619 | +504 | -310 | -135 | - | +537 | - | +29 | -431 |
| 1980 | 1 | -397 | +1,060 | -155 | -471 | +434 | +37 | -333 | - | -543 | +180 | -689 | +1,385 |
| | 2 | -252 | +1,026 | -169 | -631 | +226 | -26 | -212 | - | +283 | - | -246 | +175 |
| | 3 | +761 | +948 | -45 | -596 | +307 | +1,068 | +1,190 | - | -139 | - | -279 | -772 |
| | 4 | +1,121 | +1,042 | +96 | -409 | +729 | +1,850 | +2,284 | - | -1,432 | - | -158 | -694 |
| 1981 | 1 | +1,631 | +1,090 | +203 | -513 | +780 | +2,411 | +2,536 | - | -3,878 | +158 | -319 | +1,503 |
| | 2 | +1,046 | +1,032 | +384 | -558 | +858 | +1,904 | +1,495 | - | -1,914 | - | +165 | +254 |
| | 3 | -200 | +964 | +179 | -649 | +494 | +294 | +306 | - | -1,160 | - | +709 | +145 |
| | 4 | +393 | +975 | +245 | -261 | +959 | +1,352 | +1,624 | - | -130 | - | +132 | -1,626 |
| 1982 | 1 | +234 | +1,046 | -173 | -518 | +355 | +589 | +905 | - | -335 | - | +31 | -601 |
| | 2 | +123 | +972 | +394 | -686 | +680 | +803 | +292 | - | +130 | - | +661 | -1,083 |
| | 3 | +609 | +740 | +77 | -579 | +238 | +847 | +707 | - | -719 | - | -247 | +259 |
| | 4 | +1,262 | +943 | -61 | -435 | +447 | +1,709 | +2,044 | - | +285 | - | +839 | -3,168 |

VISIBLE TRADE IN THE BALANCE OF PAYMENTS

TABLE 2

£ million

| | | Not seasonally adjusted | | Seasonally adjusted | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Balance of payments | | Total goods | | | Of which: Oil | | | Non-oil | | |
| | | Exports (f.o.b.) | Imports (f.o.b.) | Exports (f.o.b.) | Imports (f.o.b.) | Visible balance | Exports (f.o.b.) | Imports (f.o.b.) | Visible balance | Exports (f.o.b.) | Imports (f.o.b.) | Visible balance |
| 1971 | | 9,043 | 8,853 | 9,043 | 8,853 | +190 | 215 | 907 | -692 | 8,828 | 7,946 | +882 |
| 1972 | | 9,437 | 10,185 | 9,437 | 10,185 | -748 | 222 | 888 | -666 | 9,215 | 9,297 | -82 |
| 1973 | | 11,937 | 14,523 | 11,937 | 14,523 | -2,586 | 344 | 1,285 | -941 | 11,593 | 13,238 | -1,645 |
| 1974 | | 16,394 | 21,745 | 16,394 | 21,745 | -5,351 | 710 | 4,067 | -3,357 | 15,684 | 17,678 | -1,994 |
| 1975 | | 19,330 | 22,663 | 19,330 | 22,663 | -3,333 | 734 | 3,791 | -3,057 | 18,596 | 18,872 | -276 |
| 1976 | | 25,191 | 29,120 | 25,191 | 29,120 | -3,929 | 1,172 | 5,119 | -3,947 | 24,019 | 24,001 | +18 |
| 1977 | | 31,728 | 34,012 | 31,728 | 34,012 | -2,284 | 1,979 | 4,750 | -2,771 | 29,749 | 29,262 | +487 |
| 1978 | | 35,063 | 36,605 | 35,063 | 36,605 | -1,542 | 2,235 | 4,219 | -1,984 | 32,828 | 32,386 | +442 |
| 1979 | | 40,687 | 44,136 | 40,687 | 44,136 | -3,449 | 4,158 | 4,889 | -731 | 36,529 | 39,247 | -2,718 |
| 1980 | | 47,415 | 46,182 | 47,415 | 46,182 | +1,233 | 6,133 | 5,818 | +315 | 41,282 | 40,364 | +918 |
| 1981 | | 50,977 | 48,107 | 50,977 | 48,107 | +2,870 | 9,108 | 5,996 | +3,112 | 41,869 | 42,111 | -242 |
| 1982 | | 55,545 | 53,317 | 55,545 | 53,317 | +2,228 | 10,642 | 6,037 | +4,605 | 44,903 | 47,280 | -2,377 |
| 1974 | 1 | 3,610 | 4,944 | 3,636 | 4,875 | -1,239 | 139 | 851 | -712 | 3,497 | 4,024 | -527 |
| | 2 | 4,186 | 5,592 | 4,111 | 5,516 | -1,405 | 212 | 1,076 | -864 | 3,899 | 4,440 | -541 |
| | 3 | 4,152 | 5,452 | 4,295 | 5,618 | -1,323 | 179 | 1,062 | -883 | 4,116 | 4,556 | -440 |
| | 4 | 4,446 | 5,757 | 4,352 | 5,736 | -1,384 | 180 | 1,078 | -898 | 4,172 | 4,658 | -486 |
| 1975 | 1 | 4,493 | 5,543 | 4,658 | 5,602 | -944 | 183 | 931 | -748 | 4,475 | 4,671 | -196 |
| | 2 | 4,822 | 5,537 | 4,594 | 5,307 | -713 | 161 | 841 | -680 | 4,433 | 4,466 | -33 |
| | 3 | 4,644 | 5,639 | 4,806 | 5,836 | -1,030 | 188 | 978 | -790 | 4,618 | 4,858 | -240 |
| | 4 | 5,371 | 5,944 | 5,272 | 5,918 | -646 | 202 | 1,041 | -839 | 5,070 | 4,877 | +193 |
| 1976 | 1 | 5,665 | 6,323 | 5,599 | 6,123 | -524 | 228 | 1,148 | -920 | 5,371 | 4,975 | +396 |
| | 2 | 6,252 | 7,292 | 6,164 | 7,212 | -1,048 | 265 | 1,250 | -985 | 5,899 | 5,962 | -63 |
| | 3 | 6,153 | 7,336 | 6,400 | 7,627 | -1,227 | 304 | 1,362 | -1,058 | 6,096 | 6,265 | -169 |
| | 4 | 7,121 | 8,169 | 7,028 | 8,158 | -1,130 | 375 | 1,359 | -984 | 6,653 | 6,799 | -146 |
| 1977 | 1 | 7,484 | 8,572 | 7,437 | 8,370 | -933 | 471 | 1,240 | -769 | 6,966 | 7,130 | -164 |
| | 2 | 7,998 | 8,905 | 7,914 | 8,831 | -917 | 515 | 1,289 | -774 | 7,399 | 7,542 | -143 |
| | 3 | 8,131 | 8,268 | 8,354 | 8,520 | -166 | 564 | 1,153 | -589 | 7,790 | 7,367 | +423 |
| | 4 | 8,115 | 8,267 | 8,023 | 8,291 | -268 | 429 | 1,068 | -639 | 7,594 | 7,223 | +371 |
| 1978 | 1 | 8,198 | 8,920 | 8,282 | 8,844 | -562 | 485 | 1,096 | -611 | 7,797 | 7,748 | +49 |
| | 2 | 9,125 | 9,315 | 8,790 | 8,949 | -159 | 554 | 966 | -412 | 8,236 | 7,983 | +253 |
| | 3 | 8,502 | 8,978 | 8,854 | 9,411 | -557 | 613 | 1,115 | -502 | 8,241 | 8,296 | -55 |
| | 4 | 9,238 | 9,392 | 9,137 | 9,401 | -264 | 583 | 1,042 | -459 | 8,554 | 8,359 | +195 |
| 1979 | 1 | 8,444 | 10,095 | 8,313 | 9,746 | -1,433 | 757 | 964 | -207 | 7,556 | 8,782 | -1,226 |
| | 2 | 10,813 | 11,370 | 10,759 | 11,238 | -479 | 946 | 1,167 | -221 | 9,813 | 10,071 | -258 |
| | 3 | 10,091 | 10,680 | 10,497 | 11,220 | -723 | 1,162 | 1,326 | -164 | 9,335 | 9,894 | -559 |
| | 4 | 11,339 | 11,991 | 11,118 | 11,932 | -814 | 1,293 | 1,432 | -139 | 9,825 | 10,500 | -675 |
| 1980 | 1 | 12,011 | 12,629 | 11,997 | 12,394 | -397 | 1,425 | 1,519 | -94 | 10,572 | 10,875 | -303 |
| | 2 | 11,913 | 12,186 | 11,914 | 12,166 | -252 | 1,511 | 1,545 | -34 | 10,403 | 10,621 | -218 |
| | 3 | 11,429 | 10,660 | 11,692 | 10,931 | +761 | 1,558 | 1,378 | +180 | 10,134 | 9,553 | +581 |
| | 4 | 12,062 | 10,707 | 11,812 | 10,691 | +1,121 | 1,639 | 1,376 | +263 | 10,173 | 9,315 | +858 |
| 1981 | 1 | 11,755 | 10,306 | 11,854 | 10,223 | +1,631 | 2,049 | 1,270 | +779 | 9,805 | 8,953 | +852 |
| | 2 | 12,295 | 11,338 | 12,229 | 11,183 | +1,046 | 2,178 | 1,308 | +870 | 10,051 | 9,875 | +176 |
| | 3 | 12,786 | 12,950 | 13,142 | 13,342 | -200 | 2,440 | 1,725 | +715 | 10,702 | 11,617 | -915 |
| | 4 | 14,141 | 13,513 | 13,752 | 13,359 | +393 | 2,441 | 1,693 | +748 | 11,311 | 11,666 | -355 |
| 1982 | 1 | 13,344 | 13,313 | 13,470 | 13,236 | +234 | 2,315 | 1,617 | +698 | 11,155 | 11,619 | -464 |
| | 2 | 13,793 | 13,775 | 13,787 | 13,664 | +123 | 2,345 | 1,487 | +858 | 11,442 | 12,177 | -735 |
| | 3 | 13,462 | 12,844 | 13,702 | 13,093 | +609 | 2,886 | 1,573 | +1,313 | 10,816 | 11,520 | -704 |
| | 4 | 14,946 | 13,385 | 14,586 | 13,324 | +1,262 | 3,096 | 1,360 | +1,736 | 11,490 | 11,964 | -474 |

VOLUME AND UNIT VALUE INDICES

TABLE 3

1975=100

| | | Visible trade | | | | | | | | | | Services | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Seasonally adjusted | | | | Not seasonally adjusted | | | | | | Seasonally adjusted | | | |
| | | Volume indices | | | | Unit value indices | | | | | | Volume indices | | Implied price indices | |
| | | Exports | | Imports | | Exports | | Imports | | Terms of trade[1] | | | | | |
| | | Total goods | non-oil goods | Total goods | non-oil goods | Total goods | non-oil goods | Total goods | non-oil goods | Total goods | non-oil goods | Exports of services | Imports of services | Exports of services | Imports of services |
| 1971 | | 86.0 | 84.9 | 85.5 | 80.2 | 53.7 | 54.9 | 44.8 | 50.0 | 119.8 | 109.7 | 81.9 | 89.6 | 61.6 | 58.8 |
| 1972 | | 85.6 | 84.5 | 95.2 | 90.3 | 56.8 | 58.2 | 46.9 | 52.6 | 121.1 | 110.6 | 85.8 | 95.0 | 63.6 | 59.5 |
| 1973 | | 97.2 | 96.2 | 108.5 | 103.3 | 64.1 | 65.1 | 60.0 | 66.9 | 106.8 | 97.2 | 92.1 | 100.3 | 73.0 | 70.9 |
| 1974 | | 104.2 | 104.0 | 109.5 | 106.5 | 81.6 | 81.3 | 87.7 | 88.0 | 93.1 | 92.4 | 98.4 | 101.3 | 87.0 | 88.0 |
| 1975 | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.3 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.1 | 100.0 |
| 1976 | | 109.9 | 109.3 | 105.8 | 106.8 | 119.6 | 119.4 | 122.2 | 119.9 | 97.9 | 99.6 | 106.3 | 98.5 | 122.4 | 124.5 |
| 1977 | | 118.4 | 116.1 | 107.7 | 112.8 | 141.5 | 141.2 | 141.5 | 139.3 | 100.1 | 101.4 | 109.6 | 96.8 | 137.5 | 139.9 |
| 1978 | | 121.5 | 117.5 | 112.8 | 119.8 | 155.5 | 156.2 | 146.9 | 147.6 | 105.9 | 105.8 | 109.4 | 97.6 | 147.2 | 144.4 |
| 1979 | | 125.7 | 118.8 | 125.6 | 136.5 | 171.8 | 170.3 | 161.6 | 157.8 | 106.3 | 107.9 | 109.7 | 108.0 | 167.4 | 152.9 |
| 1980 | | 127.9 | 120.9 | 118.9 | 131.1 | 192.8 | 190.1 | 186.3 | 170.5 | 103.5 | 111.5 | 105.6 | 112.7 | 189.5 | 162.9 |
| 1981 | | 126.6 | 117.3 | 118.6 | 133.0 | 207.4 | 203.2 | 204.2 | 177.0 | 101.6 | 114.9 | 99.0 | 110.6 | 214.2 | 179.7 |
| 1982 | | 128.9 | 117.9 | 125.9 | 142.5 | 221.8 | 217.5 | 220.5 | 188.9 | 100.6 | 115.2 | 96.5 | 110.6 | 230.4 | 196.5 |
| 1974 | 1 | 101.9 | .. | 108.4 | .. | 74.0 | .. | 78.6 | .. | 94.2 | .. | 97.3 | 101.1 | 82.4 | 85.3 |
| | 2 | 106.3 | .. | 111.1 | .. | 80.1 | .. | 88.1 | .. | 90.9 | .. | 98.4 | 102.3 | 85.9 | 86.6 |
| | 3 | 105.9 | .. | 110.2 | .. | 84.1 | .. | 90.7 | .. | 92.7 | .. | 99.5 | 101.3 | 89.0 | 88.4 |
| | 4 | 102.5 | .. | 108.3 | .. | 88.1 | .. | 93.2 | .. | 94.5 | .. | 98.5 | 100.4 | 90.6 | 91.5 |
| 1975 | 1 | 101.3 | 101.2 | 102.2 | 102.1 | 95.2 | 95.2 | 96.5 | 96.7 | 98.6 | 98.4 | 103.0 | 102.3 | 92.9 | 93.2 |
| | 2 | 97.5 | 97.7 | 96.4 | 96.7 | 97.5 | 97.6 | 97.2 | 97.8 | 100.4 | 99.8 | 98.5 | 98.6 | 98.7 | 98.2 |
| | 3 | 97.9 | 97.7 | 102.3 | 102.0 | 101.6 | 101.7 | 101.7 | 101.0 | 100.9 | 100.6 | 97.7 | 98.9 | 102.7 | 102.7 |
| | 4 | 103.4 | 103.4 | 99.1 | 99.2 | 105.7 | 105.6 | 105.6 | 104.5 | 100.1 | 101.1 | 100.8 | 100.2 | 105.9 | 106.0 |
| 1976 | 1 | 106.1 | 106.0 | 98.5 | 98.4 | 110.0 | 109.8 | 110.4 | 108.2 | 99.7 | 101.5 | 102.2 | 96.4 | 113.6 | 112.0 |
| | 2 | 111.0 | 110.7 | 107.8 | 109.1 | 115.8 | 115.6 | 118.9 | 116.6 | 97.4 | 99.1 | 102.7 | 98.0 | 121.7 | 122.8 |
| | 3 | 109.3 | 108.6 | 108.7 | 109.6 | 122.7 | 122.4 | 125.3 | 122.7 | 97.9 | 99.8 | 108.1 | 99.2 | 125.4 | 127.8 |
| | 4 | 113.1 | 111.8 | 108.3 | 110.3 | 130.0 | 129.6 | 134.3 | 132.1 | 96.8 | 98.2 | 112.0 | 100.5 | 128.8 | 135.5 |
| 1977 | 1 | 115.5 | 113.3 | 107.7 | 112.0 | 135.3 | 134.9 | 137.6 | 135.0 | 98.4 | 99.9 | 108.2 | 95.6 | 133.3 | 138.3 |
| | 2 | 119.0 | 116.5 | 112.1 | 116.8 | 140.5 | 140.2 | 141.3 | 138.9 | 99.4 | 100.9 | 108.4 | 94.3 | 137.3 | 141.2 |
| | 3 | 122.8 | 119.9 | 106.9 | 112.5 | 144.1 | 143.7 | 143.5 | 141.2 | 100.4 | 101.8 | 111.2 | 98.8 | 139.5 | 141.1 |
| | 4 | 116.4 | 114.8 | 104.2 | 110.0 | 146.2 | 146.1 | 143.4 | 142.0 | 102.0 | 102.9 | 110.5 | 98.4 | 139.8 | 139.1 |
| 1978 | 1 | 118.5 | 115.6 | 111.6 | 117.6 | 149.4 | 149.8 | 141.8 | 141.8 | 105.4 | 105.6 | 111.0 | 98.4 | 140.1 | 138.7 |
| | 2 | 122.9 | 119.2 | 110.3 | 118.4 | 153.5 | 154.0 | 146.5 | 146.6 | 104.7 | 105.1 | 104.7 | 97.9 | 149.0 | 145.0 |
| | 3 | 121.4 | 116.5 | 115.0 | 121.6 | 157.7 | 158.5 | 148.2 | 149.2 | 106.4 | 106.3 | 111.9 | 98.2 | 148.2 | 144.9 |
| | 4 | 123.2 | 118.8 | 114.3 | 121.6 | 161.3 | 162.2 | 150.9 | 152.9 | 106.9 | 106.1 | 110.0 | 95.9 | 151.4 | 148.8 |
| 1979 | 1 | 108.2 | 101.8 | 114.6 | 123.6 | 165.8 | 165.8 | 153.9 | 155.3 | 107.8 | 106.8 | 109.5 | 104.2 | 158.7 | 146.6 |
| | 2 | 136.2 | 129.9 | 129.8 | 141.3 | 169.1 | 167.8 | 158.5 | 156.3 | 106.7 | 107.4 | 109.6 | 107.6 | 162.4 | 151.1 |
| | 3 | 128.1 | 121.1 | 128.7 | 140.0 | 173.2 | 171.3 | 161.7 | 155.5 | 107.1 | 110.2 | 110.9 | 109.5 | 168.2 | 152.6 |
| | 4 | 130.1 | 122.7 | 129.4 | 141.3 | 178.9 | 176.4 | 172.4 | 164.2 | 103.8 | 107.5 | 108.6 | 110.5 | 180.3 | 161.1 |
| 1980 | 1 | 132.7 | 125.8 | 124.9 | 137.5 | 187.2 | 184.4 | 185.8 | 173.1 | 100.8 | 106.5 | 108.5 | 113.1 | 186.5 | 162.7 |
| | 2 | 128.4 | 121.6 | 125.5 | 138.2 | 191.6 | 188.8 | 185.9 | 169.4 | 103.1 | 111.4 | 106.5 | 113.1 | 188.4 | 162.8 |
| | 3 | 124.7 | 117.8 | 114.2 | 125.9 | 195.5 | 193.0 | 185.9 | 169.8 | 105.2 | 113.7 | 105.4 | 113.4 | 187.4 | 163.1 |
| | 4 | 125.9 | 118.2 | 110.8 | 122.9 | 196.8 | 194.2 | 187.6 | 169.8 | 104.9 | 114.4 | 101.9 | 111.2 | 195.5 | 162.8 |
| 1981 | 1 | 122.7 | 113.2 | 105.9 | 118.5 | 198.9 | 195.5 | 189.0 | 167.1 | 105.3 | 117.0 | 99.5 | 108.6 | 205.1 | 169.5 |
| | 2 | 125.2 | 115.8 | 114.1 | 128.0 | 203.7 | 200.1 | 199.5 | 173.4 | 102.1 | 115.4 | 98.9 | 112.2 | 212.8 | 174.7 |
| | 3 | 127.6 | 118.4 | 129.5 | 144.7 | 210.7 | 206.3 | 210.3 | 181.0 | 100.2 | 114.0 | 99.4 | 110.7 | 216.6 | 186.1 |
| | 4 | 131.0 | 121.8 | 125.0 | 140.8 | 216.4 | 211.1 | 217.9 | 186.3 | 99.3 | 113.3 | 98.2 | 110.8 | 222.1 | 188.4 |
| 1982 | 1 | 127.5 | 118.7 | 125.5 | 142.0 | 219.0 | 214.5 | 216.4 | 184.5 | 101.2 | 116.2 | 99.7 | 111.2 | 223.4 | 189.2 |
| | 2 | 131.4 | 121.4 | 130.2 | 146.8 | 219.5 | 215.5 | 216.7 | 188.2 | 101.3 | 114.5 | 97.6 | 112.6 | 231.2 | 193.8 |
| | 3 | 125.1 | 113.1 | 123.7 | 139.3 | 222.3 | 218.5 | 221.3 | 189.9 | 100.5 | 115.0 | 94.0 | 112.4 | 229.2 | 195.9 |
| | 4 | 131.4 | 118.6 | 124.0 | 141.8 | 226.2 | 221.5 | 227.7 | 192.8 | 99.3 | 114.8 | 94.6 | 106.0 | 237.7 | 206.9 |

1. Export unit value index as a percentage of the import unit value index.

INVISIBLES: SUMMARY

TABLE 4

£ million

| | | Seasonally adjusted | | | | | | | | | | | Not seasonally adjusted | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Invisible credits | | | | Invisible debits | | | | Invisible balance | | | Total invisibles | | |
| | | | | | | | | | | | of which: | | | | |
| | | Services | IPD | Transfers | Total | Services | IPD | Transfers | Total | Total | Private sector and PC: services and IPD | Gen. govt. transactions and private transfers | Credits | Debits | Balance |
| 1971 | | 3,965 | 1,486 | 246 | 5,697 | 3,340 | 984 | 439 | 4,763 | +934 | +1,646 | −712 | 5,697 | 4,763 | +934 |
| 1972 | | 4,288 | 1,748 | 264 | 6,300 | 3,587 | 1,210 | 508 | 5,305 | +995 | +1,732 | −737 | 6,300 | 5,305 | +995 |
| 1973 | | 5,296 | 2,823 | 387 | 8,506 | 4,510 | 1,566 | 825 | 6,901 | +1,605 | +2,651 | −1,046 | 8,506 | 6,901 | +1,605 |
| 1974 | | 6,736 | 3,286 | 489 | 10,511 | 5,653 | 1,871 | 909 | 8,433 | +2,078 | +3,369 | −1,291 | 10,511 | 8,433 | +2,078 |
| 1975 | | 7,867 | 2,841 | 759 | 11,467 | 6,348 | 2,068 | 1,239 | 9,655 | +1,812 | +3,376 | −1,564 | 11,467 | 9,655 | +1,812 |
| 1976 | | 10,245 | 3,971 | 790 | 15,006 | 7,796 | 2,606 | 1,550 | 11,952 | +3,054 | +5,129 | −2,075 | 15,006 | 11,952 | +3,054 |
| 1977 | | 11,854 | 4,032 | 912 | 16,798 | 8,595 | 3,914 | 2,027 | 14,536 | +2,262 | +4,821 | −2,559 | 16,798 | 14,536 | +2,262 |
| 1978 | | 12,663 | 5,148 | 1,213 | 19,024 | 8,941 | 4,533 | 2,990 | 16,464 | +2,560 | +5,627 | −3,067 | 19,024 | 16,464 | +2,560 |
| 1979 | | 14,438 | 7,879 | 1,346 | 23,663 | 10,480 | 6,987 | 3,600 | 21,067 | +2,596 | +6,187 | −3,591 | 23,663 | 21,067 | +2,596 |
| 1980 | | 15,727 | 8,289 | 1,766 | 25,782 | 11,651 | 8,562 | 3,873 | 24,086 | +1,696 | +5,175 | −3,479 | 25,782 | 24,086 | +1,696 |
| 1981 | | 16,676 | 10,089 | 2,502 | 29,267 | 12,615 | 9,078 | 4,483 | 26,176 | +3,091 | +6,370 | −3,279 | 29,267 | 26,176 | +3,091 |
| 1982 | | 17,476 | 10,027 | 3,124 | 30,627 | 13,775 | 9,790 | 5,342 | 28,907 | +1,720 | +5,706 | −3,986 | 30,627 | 28,907 | +1,720 |
| 1974 | 1 | 1,577 | 885 | 116 | 2,578 | 1,368 | 481 | 215 | 2,064 | +514 | +813 | −299 | 2,461 | 1,983 | +478 |
| | 2 | 1,663 | 834 | 114 | 2,611 | 1,407 | 448 | 213 | 2,068 | +543 | +860 | −317 | 2,615 | 2,056 | +559 |
| | 3 | 1,741 | 756 | 116 | 2,613 | 1,420 | 442 | 210 | 2,072 | +541 | +857 | −316 | 2,744 | 2,191 | +553 |
| | 4 | 1,755 | 811 | 143 | 2,709 | 1,458 | 500 | 271 | 2,229 | +480 | +839 | −359 | 2,691 | 2,203 | +488 |
| 1975 | 1 | 1,882 | 733 | 197 | 2,812 | 1,514 | 532 | 270 | 2,316 | +496 | +819 | −323 | 2,632 | 2,206 | +426 |
| | 2 | 1,911 | 675 | 173 | 2,759 | 1,535 | 533 | 319 | 2,387 | +372 | +768 | −396 | 2,774 | 2,393 | +381 |
| | 3 | 1,973 | 674 | 195 | 2,842 | 1,613 | 494 | 307 | 2,414 | +428 | +842 | −414 | 3,031 | 2,562 | +469 |
| | 4 | 2,101 | 759 | 194 | 3,054 | 1,686 | 509 | 343 | 2,538 | +516 | +947 | −431 | 3,030 | 2,494 | +536 |
| 1976 | 1 | 2,284 | 929 | 175 | 3,388 | 1,714 | 635 | 369 | 2,718 | +670 | +1,153 | −483 | 3,145 | 2,599 | +546 |
| | 2 | 2,458 | 945 | 209 | 3,612 | 1,910 | 595 | 376 | 2,881 | +731 | +1,226 | −495 | 3,602 | 2,900 | +702 |
| | 3 | 2,666 | 1,033 | 196 | 3,895 | 2,013 | 664 | 384 | 3,061 | +834 | +1,345 | −511 | 4,169 | 3,227 | +942 |
| | 4 | 2,837 | 1,064 | 210 | 4,111 | 2,159 | 712 | 421 | 3,292 | +819 | +1,405 | −586 | 4,090 | 3,226 | +864 |
| 1977 | 1 | 2,836 | 1,020 | 229 | 4,085 | 2,099 | 896 | 474 | 3,469 | +616 | +1,252 | −636 | 3,755 | 3,298 | +457 |
| | 2 | 2,928 | 1,001 | 212 | 4,141 | 2,112 | 1,012 | 492 | 3,616 | +525 | +1,189 | −664 | 4,116 | 3,659 | +457 |
| | 3 | 3,050 | 998 | 220 | 4,268 | 2,212 | 1,009 | 541 | 3,762 | +506 | +1,178 | −672 | 4,636 | 3,924 | +712 |
| | 4 | 3,040 | 1,013 | 251 | 4,304 | 2,172 | 997 | 520 | 3,689 | +615 | +1,202 | −587 | 4,291 | 3,655 | +636 |
| 1978 | 1 | 3,058 | 1,120 | 261 | 4,439 | 2,166 | 1,057 | 797 | 4,020 | +419 | +1,291 | −872 | 4,127 | 3,830 | +297 |
| | 2 | 3,069 | 1,283 | 275 | 4,627 | 2,253 | 1,059 | 671 | 3,983 | +644 | +1,365 | −721 | 4,561 | 4,049 | +512 |
| | 3 | 3,261 | 1,343 | 312 | 4,916 | 2,257 | 1,163 | 779 | 4,199 | +717 | +1,514 | −797 | 5,319 | 4,383 | +936 |
| | 4 | 3,275 | 1,402 | 365 | 5,042 | 2,265 | 1,254 | 743 | 4,262 | +780 | +1,457 | −677 | 5,017 | 4,202 | +815 |
| 1979 | 1 | 3,418 | 1,799 | 305 | 5,522 | 2,425 | 1,417 | 818 | 4,660 | +862 | +1,687 | −825 | 5,182 | 4,448 | +734 |
| | 2 | 3,501 | 1,796 | 325 | 5,622 | 2,579 | 1,734 | 836 | 5,149 | +473 | +1,337 | −864 | 5,578 | 5,200 | +378 |
| | 3 | 3,670 | 2,181 | 336 | 6,187 | 2,651 | 1,832 | 947 | 5,430 | +757 | +1,681 | −924 | 6,614 | 5,647 | +967 |
| | 4 | 3,849 | 2,103 | 380 | 6,332 | 2,825 | 2,004 | 999 | 5,828 | +504 | +1,482 | −978 | 6,289 | 5,772 | +517 |
| 1980 | 1 | 3,981 | 2,104 | 450 | 6,535 | 2,921 | 2,259 | 921 | 6,101 | +434 | +1,221 | −787 | 6,093 | 5,808 | +285 |
| | 2 | 3,947 | 2,184 | 390 | 6,521 | 2,921 | 2,353 | 1,021 | 6,295 | +226 | +1,226 | −1,000 | 6,429 | 6,368 | +61 |
| | 3 | 3,884 | 1,869 | 424 | 6,177 | 2,936 | 1,914 | 1,020 | 5,870 | +307 | +1,236 | −929 | 6,640 | 6,219 | +421 |
| | 4 | 3,915 | 2,132 | 502 | 6,549 | 2,873 | 2,036 | 911 | 5,820 | +729 | +1,492 | −763 | 6,620 | 5,691 | +929 |
| 1981 | 1 | 4,012 | 2,224 | 607 | 6,843 | 2,922 | 2,021 | 1,120 | 6,063 | +780 | +1,552 | −772 | 6,834 | 5,747 | +1,087 |
| | 2 | 4,141 | 2,353 | 504 | 6,998 | 3,109 | 1,969 | 1,062 | 6,140 | +858 | +1,767 | −909 | 6,756 | 6,218 | +538 |
| | 3 | 4,234 | 2,557 | 589 | 7,380 | 3,270 | 2,378 | 1,238 | 6,886 | +494 | +1,453 | −959 | 7,734 | 7,264 | +470 |
| | 4 | 4,289 | 2,955 | 802 | 8,046 | 3,314 | 2,710 | 1,063 | 7,087 | +959 | +1,598 | −639 | 7,943 | 6,947 | +996 |
| 1982 | 1 | 4,383 | 2,213 | 769 | 7,365 | 3,337 | 2,386 | 1,287 | 7,010 | +355 | +1,240 | −885 | 7,484 | 6,610 | +874 |
| | 2 | 4,436 | 2,755 | 639 | 7,830 | 3,464 | 2,361 | 1,325 | 7,150 | +680 | +1,805 | −1,125 | 7,562 | 7,288 | +274 |
| | 3 | 4,235 | 2,587 | 772 | 7,594 | 3,495 | 2,510 | 1,351 | 7,356 | +238 | +1,285 | −1,047 | 7,912 | 7,823 | +89 |
| | 4 | 4,422 | 2,472 | 944 | 7,838 | 3,479 | 2,533 | 1,379 | 7,391 | +447 | +1,376 | −929 | 7,669 | 7,186 | +483 |

SERVICES: CREDITS

TABLE 5

£ million

| | Private sector and public corporations | | | | | | | | General government | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sea transport | | | | | | | | | | | |
| | Dry cargo | Tankers | Total | Civil aviation | Travel | Financial services | Other services | Total | EC institutions | Other | Total | Total services credits at current prices |
| 1974 | 1,408 | 1,257 | 2,665 | 625 | 898 | 785 | 1,653 | 6,626 | 21 | 89 | 110 | 6,736 |
| 1975 | 1,520 | 1,131 | 2,651 | 780 | 1,218 | 1,025 | 2,054 | 7,728 | 34 | 105 | 139 | 7,867 |
| 1976 | 1,870 | 1,363 | 3,233 | 1,049 | 1,768 | 1,303 | 2,677 | 10,030 | 46 | 169 | 215 | 10,245 |
| 1977 | 2,094 | 1,339 | 3,433 | 1,203 | 2,352 | 1,391 | 3,234 | 11,613 | 78 | 163 | 241 | 11,854 |
| 1978 | 1,934 | 1,215 | 3,149 | 1,455 | 2,507 | 1,542 | 3,692 | 12,345 | 94 | 224 | 318 | 12,663 |
| 1979 | 2,038 | 1,766 | 3,804 | 1,755 | 2,797 | 1,588 | 4,150 | 14,094 | 115 | 229 | 344 | 14,438 |
| 1980 | 2,200 | 1,616 | 3,816 | 2,210 | 2,961 | 1,601 | 4,758 | 15,346 | 112 | 269 | 381 | 15,727 |
| 1981 | 2,155 | 1,629 | 3,784 | 2,359 | 2,970 | 1,954 | 5,170 | 16,237 | 122 | 317 | 439 | 16,676 |
| 1982 | 2,163 | 1,414 | 3,577 | 2,471 | 3,229 | 2,132 | 5,657 | 17,066 | 150 | 260 | 410 | 17,476 |
| Unadjusted | | | | | | | | | | | | |
| 1978 1 | 451 | 294 | 745 | 264 | 375 | 417 | 881 | 2,682 | 20 | 65 | 85 | 2,767 |
| 2 | 514 | 286 | 800 | 338 | 544 | 349 | 889 | 2,920 | 21 | 44 | 65 | 2,985 |
| 3 | 497 | 300 | 797 | 475 | 1,023 | 391 | 896 | 3,582 | 26 | 60 | 86 | 3,668 |
| 4 | 472 | 335 | 807 | 378 | 565 | 385 | 1,026 | 3,161 | 27 | 55 | 82 | 3,243 |
| 1979 1 | 457 | 392 | 849 | 303 | 412 | 397 | 1,027 | 2,988 | 30 | 71 | 101 | 3,089 |
| 2 | 519 | 427 | 946 | 385 | 637 | 377 | 1,000 | 3,345 | 24 | 39 | 63 | 3,408 |
| 3 | 532 | 445 | 977 | 564 | 1,088 | 417 | 986 | 4,032 | 30 | 55 | 85 | 4,117 |
| 4 | 530 | 502 | 1,032 | 503 | 660 | 397 | 1,137 | 3,729 | 31 | 64 | 95 | 3,824 |
| 1980 1 | 523 | 464 | 987 | 395 | 516 | 388 | 1,179 | 3,465 | 31 | 76 | 107 | 3,572 |
| 2 | 574 | 393 | 967 | 510 | 715 | 403 | 1,137 | 3,732 | 31 | 50 | 81 | 3,813 |
| 3 | 584 | 369 | 953 | 710 | 1,122 | 382 | 1,122 | 4,289 | 31 | 81 | 112 | 4,401 |
| 4 | 519 | 390 | 909 | 595 | 608 | 428 | 1,320 | 3,860 | 19 | 62 | 81 | 3,941 |
| 1981 1 | 471 | 431 | 902 | 476 | 466 | 459 | 1,193 | 3,496 | 37 | 91 | 128 | 3,624 |
| 2 | 540 | 414 | 954 | 556 | 677 | 500 | 1,239 | 3,926 | 25 | 45 | 70 | 3,996 |
| 3 | 589 | 412 | 1,001 | 725 | 1,150 | 486 | 1,285 | 4,647 | 21 | 93 | 114 | 4,761 |
| 4 | 555 | 372 | 927 | 602 | 677 | 509 | 1,453 | 4,168 | 39 | 88 | 127 | 4,295 |
| 1982 1 | 529 | 337 | 866 | 483 | 521 | 569 | 1,373 | 3,812 | 41 | 103 | 144 | 3,956 |
| 2 | 575 | 377 | 952 | 563 | 801 | 541 | 1,356 | 4,213 | 36 | 58 | 94 | 4,307 |
| 3 | 574 | 347 | 921 | 770 | 1,147 | 503 | 1,356 | 4,697 | 38 | 39 | 77 | 4,774 |
| 4 | 485 | 353 | 838 | 655 | 760 | 519 | 1,572 | 4,344 | 35 | 60 | 95 | 4,439 |
| Seasonally adjusted | | | | | | | | | | | | |
| 1978 1 | 475 | 294 | 769 | 325 | 587 | 429 | 879 | 2,989 | 20 | 49 | 69 | 3,058 |
| 2 | 498 | 292 | 790 | 348 | 609 | 341 | 900 | 2,988 | 21 | 60 | 81 | 3,069 |
| 3 | 475 | 306 | 781 | 393 | 664 | 398 | 941 | 3,177 | 26 | 58 | 84 | 3,261 |
| 4 | 486 | 323 | 809 | 389 | 647 | 374 | 972 | 3,191 | 27 | 57 | 84 | 3,275 |
| 1979 1 | 483 | 389 | 872 | 382 | 651 | 405 | 1,023 | 3,333 | 30 | 55 | 85 | 3,418 |
| 2 | 504 | 437 | 941 | 403 | 695 | 369 | 1,013 | 3,421 | 24 | 56 | 80 | 3,501 |
| 3 | 507 | 454 | 961 | 459 | 707 | 424 | 1,035 | 3,586 | 30 | 54 | 84 | 3,670 |
| 4 | 544 | 486 | 1,030 | 511 | 744 | 390 | 1,079 | 3,754 | 31 | 64 | 95 | 3,849 |
| 1980 1 | 554 | 455 | 1,009 | 501 | 800 | 391 | 1,188 | 3,889 | 31 | 61 | 92 | 3,981 |
| 2 | 557 | 403 | 960 | 547 | 764 | 397 | 1,178 | 3,846 | 31 | 70 | 101 | 3,947 |
| 3 | 554 | 379 | 933 | 573 | 718 | 389 | 1,163 | 3,776 | 31 | 77 | 108 | 3,884 |
| 4 | 535 | 379 | 914 | 589 | 679 | 424 | 1,229 | 3,835 | 19 | 61 | 80 | 3,915 |
| 1981 1 | 499 | 421 | 920 | 600 | 715 | 459 | 1,208 | 3,902 | 37 | 73 | 110 | 4,012 |
| 2 | 529 | 424 | 953 | 594 | 725 | 492 | 1,285 | 4,049 | 25 | 67 | 92 | 4,141 |
| 3 | 555 | 422 | 977 | 574 | 752 | 496 | 1,328 | 4,127 | 21 | 86 | 107 | 4,234 |
| 4 | 572 | 362 | 934 | 591 | 778 | 507 | 1,349 | 4,159 | 39 | 91 | 130 | 4,289 |
| 1982 1 | 569 | 330 | 899 | 607 | 791 | 569 | 1,397 | 4,263 | 41 | 79 | 120 | 4,383 |
| 2 | 556 | 385 | 941 | 599 | 844 | 531 | 1,403 | 4,318 | 36 | 82 | 118 | 4,436 |
| 3 | 538 | 355 | 893 | 613 | 736 | 515 | 1,402 | 4,159 | 38 | 38 | 76 | 4,235 |
| 4 | 500 | 344 | 844 | 652 | 858 | 517 | 1,455 | 4,326 | 35 | 61 | 96 | 4,422 |

SERVICES: DEBITS

TABLE 5 (continued)

£ million

| | Private sector and public corporations | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sea transport | | | | | Other services | | | | | Balance of services at current prices | | |
| | Dry cargo | Tankers | Total | Civil aviation | Travel | Services associated with UK Cont. Shelf | Other | Total | General government | Total services debits at current prices | Private sector and public corporations | General government | Total |
| 1974 | 1,339 | 1,437 | 2,776 | 540 | 703 | 212 | 793 | 5,024 | 629 | 5,653 | +1,602 | –519 | +1,083 |
| 1975 | 1,302 | 1,266 | 2,568 | 675 | 917 | 490 | 989 | 5,639 | 709 | 6,348 | +2,089 | –570 | +1,519 |
| 1976 | 1,644 | 1,517 | 3,161 | 840 | 1,068 | 665 | 1,180 | 6,914 | 882 | 7,796 | +3,116 | –667 | +2,449 |
| 1977 | 1,870 | 1,480 | 3,350 | 984 | 1,186 | 725 | 1,385 | 7,630 | 965 | 8,595 | +3,983 | –724 | +3,259 |
| 1978 | 1,932 | 1,235 | 3,167 | 1,176 | 1,549 | 568 | 1,465 | 7,925 | 1,016 | 8,941 | +4,420 | –698 | +3,722 |
| 1979 | 2,201 | 1,482 | 3,683 | 1,467 | 2,109 | 467 | 1,613 | 9,339 | 1,141 | 10,480 | +4,755 | –797 | +3,958 |
| 1980 | 2,434 | 1,247 | 3,681 | 1,815 | 2,738 | 514 | 1,764 | 10,512 | 1,139 | 11,651 | +4,834 | –758 | +4,076 |
| 1981 | 2,536 | 1,351 | 3,887 | 1,922 | 3,271 | 615 | 1,855 | 11,550 | 1,065 | 12,615 | +4,687 | –626 | +4,061 |
| 1982 | 2,831 | 1,130 | 3,961 | 2,080 | 3,637 | 729 | 2,056 | 12,463 | 1,312 | 13,775 | +4,603 | –902 | +3,701 |
| Unadjusted | | | | | | | | | | | | | |
| 1978 1 | 449 | 308 | 757 | 234 | 228 | 115 | 344 | 1,678 | 262 | 1,940 | +1,004 | –177 | +827 |
| 2 | 508 | 316 | 824 | 283 | 357 | 159 | 358 | 1,981 | 267 | 2,248 | +939 | –202 | +737 |
| 3 | 489 | 292 | 781 | 368 | 645 | 161 | 369 | 2,324 | 267 | 2,591 | +1,258 | –181 | +1,077 |
| 4 | 486 | 319 | 805 | 291 | 319 | 133 | 394 | 1,942 | 220 | 2,162 | +1,219 | –138 | +1,081 |
| 1979 1 | 465 | 360 | 825 | 296 | 305 | 95 | 378 | 1,899 | 263 | 2,162 | +1,089 | –162 | +927 |
| 2 | 586 | 359 | 945 | 359 | 503 | 102 | 385 | 2,294 | 288 | 2,582 | +1,051 | –225 | +826 |
| 3 | 588 | 359 | 947 | 446 | 858 | 122 | 413 | 2,786 | 281 | 3,067 | +1,246 | –196 | +1,050 |
| 4 | 562 | 404 | 966 | 366 | 443 | 148 | 437 | 2,360 | 309 | 2,669 | +1,369 | –214 | +1,155 |
| 1980 1 | 622 | 348 | 970 | 398 | 399 | 113 | 437 | 2,317 | 272 | 2,589 | +1,148 | –165 | +983 |
| 2 | 628 | 308 | 936 | 453 | 672 | 120 | 439 | 2,620 | 300 | 2,920 | +1,112 | –219 | +893 |
| 3 | 638 | 301 | 939 | 545 | 1,127 | 127 | 441 | 3,179 | 290 | 3,469 | +1,110 | –178 | +932 |
| 4 | 546 | 290 | 836 | 419 | 540 | 154 | 447 | 2,396 | 277 | 2,673 | +1,464 | –196 | +1,268 |
| 1981 1 | 578 | 352 | 930 | 399 | 454 | 103 | 457 | 2,343 | 206 | 2,549 | +1,153 | –78 | +1,075 |
| 2 | 597 | 360 | 957 | 475 | 788 | 149 | 451 | 2,820 | 269 | 3,089 | +1,106 | –199 | +907 |
| 3 | 682 | 335 | 1,017 | 594 | 1,386 | 155 | 474 | 3,626 | 275 | 3,901 | +1,021 | –161 | +860 |
| 4 | 679 | 304 | 983 | 454 | 643 | 208 | 473 | 2,761 | 315 | 3,076 | +1,407 | –188 | +1,219 |
| 1982 1 | 676 | 276 | 952 | 433 | 534 | 174 | 490 | 2,583 | 322 | 2,905 | +1,229 | –178 | +1,051 |
| 2 | 741 | 300 | 1,041 | 516 | 883 | 166 | 508 | 3,114 | 338 | 3,452 | +1,099 | –244 | +855 |
| 3 | 714 | 269 | 983 | 644 | 1,515 | 214 | 523 | 3,879 | 314 | 4,193 | +818 | –237 | +581 |
| 4 | 700 | 285 | 985 | 487 | 705 | 175 | 535 | 2,887 | 338 | 3,225 | +1,457 | –243 | +1,214 |
| Seasonally adjusted | | | | | | | | | | | | | |
| 1978 1 | 463 | 311 | 774 | 269 | 365 | 154 | 344 | 1,906 | 260 | 2,166 | +1,083 | –191 | +892 |
| 2 | 495 | 318 | 813 | 283 | 365 | 166 | 357 | 1,984 | 269 | 2,253 | +1,004 | –188 | +816 |
| 3 | 479 | 295 | 774 | 314 | 398 | 137 | 369 | 1,992 | 265 | 2,257 | +1,185 | –181 | +1,004 |
| 4 | 495 | 311 | 806 | 310 | 421 | 111 | 395 | 2,043 | 222 | 2,265 | +1,148 | –138 | +1,010 |
| 1979 1 | 483 | 362 | 845 | 341 | 477 | 122 | 377 | 2,162 | 263 | 2,425 | +1,171 | –178 | +993 |
| 2 | 572 | 361 | 933 | 358 | 509 | 105 | 386 | 2,291 | 288 | 2,579 | +1,130 | –208 | +922 |
| 3 | 571 | 363 | 934 | 376 | 536 | 111 | 413 | 2,370 | 281 | 2,651 | +1,216 | –197 | +1,019 |
| 4 | 575 | 396 | 971 | 392 | 587 | 129 | 437 | 2,516 | 309 | 2,825 | +1,238 | –214 | +1,024 |
| 1980 1 | 647 | 349 | 996 | 452 | 623 | 141 | 437 | 2,649 | 272 | 2,921 | +1,240 | –180 | +1,060 |
| 2 | 613 | 309 | 922 | 451 | 687 | 122 | 439 | 2,621 | 300 | 2,921 | +1,225 | –199 | +1,026 |
| 3 | 615 | 303 | 918 | 459 | 710 | 118 | 441 | 2,646 | 290 | 2,936 | +1,130 | –182 | +948 |
| 4 | 559 | 286 | 845 | 453 | 718 | 133 | 447 | 2,596 | 277 | 2,873 | +1,239 | –197 | +1,042 |
| 1981 1 | 600 | 350 | 950 | 456 | 727 | 126 | 457 | 2,716 | 206 | 2,922 | +1,186 | –96 | +1,090 |
| 2 | 583 | 363 | 946 | 474 | 814 | 156 | 450 | 2,840 | 269 | 3,109 | +1,209 | –177 | +1,032 |
| 3 | 657 | 340 | 997 | 500 | 872 | 151 | 475 | 2,995 | 275 | 3,270 | +1,132 | –168 | +964 |
| 4 | 696 | 298 | 994 | 492 | 858 | 182 | 473 | 2,999 | 315 | 3,314 | +1,160 | –185 | +975 |
| 1982 1 | 700 | 274 | 974 | 497 | 849 | 205 | 490 | 3,015 | 322 | 3,337 | +1,248 | –202 | +1,046 |
| 2 | 724 | 302 | 1,026 | 518 | 905 | 170 | 507 | 3,126 | 338 | 3,464 | +1,192 | –220 | +972 |
| 3 | 688 | 275 | 963 | 543 | 946 | 205 | 524 | 3,181 | 314 | 3,495 | +978 | –238 | +740 |
| 4 | 719 | 279 | 998 | 522 | 937 | 149 | 535 | 3,141 | 338 | 3,479 | +1,185 | –242 | +943 |

INTEREST, PROFITS AND DIVIDENDS: CREDITS

TABLE 6

£ million

| | | Earnings on: | | | | | | | of which: | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Direct investment[1] | Portfolio investment | Sterling lending by UK banks and export credit | Interest on UK borrowing and lending in foreign currencies (balance) | Interest on bank deposits and lending overseas | Other earnings (incling oil companies) | Total credits | Private sector and public corporations | General government |
| 1974 | | 1,490 | 279 | 322 | 151 | – | 1,044 | 3,286 | 3,049 | 237 |
| 1975 | | 1,591 | 271 | 365 | 138 | – | 476 | 2,841 | 2,575 | 266 |
| 1976 | | 2,383 | 313 | 472 | 210 | 87 | 506 | 3,971 | 3,718 | 253 |
| 1977 | | 2,293 | 328 | 460 | 107 | 102 | 742 | 4,032 | 3,648 | 384 |
| 1978 | | 2,346 | 353 | 566 | 346 | 164 | 1,373 | 5,148 | 4,457 | 691 |
| 1979 | | 2,815 | 450 | 741 | -44 | 283 | 3,634 | 7,879 | 7,063 | 816 |
| 1980 | | 2,914 | 679 | 970 | 352 | 432 | 2,942 | 8,289 | 7,346 | 943 |
| 1981 | | 3,597 | 796 | 1,343 | 1,010 | 584 | 2,759 | 10,089 | 9,141 | 948 |
| 1982 | | 3,147 | 936 | 1,648 | 1,454 | 539 | 2,303 | 10,027 | 9,212 | 815 |
| Unadjusted | | | | | | | | | | |
| 1978 | 1 | 530 | 79 | 115 | 48 | 30 | 297 | 1,099 | 928 | 171 |
| | 2 | 606 | 88 | 134 | 68 | 36 | 369 | 1,301 | 1,104 | 197 |
| | 3 | 614 | 97 | 143 | 114 | 42 | 329 | 1,339 | 1,173 | 166 |
| | 4 | 596 | 89 | 174 | 116 | 56 | 378 | 1,409 | 1,252 | 157 |
| 1979 | 1 | 651 | 107 | 181 | 36 | 61 | 752 | 1,788 | 1,611 | 177 |
| | 2 | 668 | 108 | 178 | 6 | 61 | 824 | 1,845 | 1,640 | 205 |
| | 3 | 773 | 120 | 177 | 3 | 70 | 1,018 | 2,161 | 1,954 | 207 |
| | 4 | 723 | 115 | 205 | -89 | 91 | 1,040 | 2,085 | 1,858 | 227 |
| 1980 | 1 | 804 | 141 | 216 | -44 | 112 | 867 | 2,096 | 1,869 | 227 |
| | 2 | 788 | 164 | 224 | 155 | 106 | 813 | 2,250 | 1,961 | 289 |
| | 3 | 640 | 189 | 243 | 97 | 91 | 579 | 1,839 | 1,629 | 210 |
| | 4 | 682 | 185 | 287 | 144 | 123 | 683 | 2,104 | 1,887 | 217 |
| 1981 | 1 | 842 | 186 | 289 | 108 | 125 | 679 | 2,229 | 2,022 | 207 |
| | 2 | 937 | 188 | 287 | 282 | 140 | 596 | 2,430 | 2,127 | 303 |
| | 3 | 886 | 208 | 345 | 273 | 168 | 649 | 2,529 | 2,288 | 241 |
| | 4 | 932 | 214 | 422 | 347 | 151 | 835 | 2,901 | 2,704 | 197 |
| 1982 | 1 | 762 | 213 | 433 | 117 | 147 | 528 | 2,201 | 2,024 | 177 |
| | 2 | 958 | 220 | 416 | 484 | 152 | 633 | 2,862 | 2,583 | 279 |
| | 3 | 744 | 251 | 392 | 451 | 132 | 579 | 2,549 | 2,374 | 175 |
| | 4 | 683 | 252 | 407 | 402 | 108 | 563 | 2,415 | 2,231 | 184 |
| Seasonally adjusted | | | | | | | | | | |
| 1978 | 1 | 546 | 81 | 115 | 48 | 30 | 300 | 1,120 | 946 | 174 |
| | 2 | 598 | 88 | 136 | 68 | 36 | 357 | 1,283 | 1,097 | 186 |
| | 3 | 610 | 93 | 150 | 114 | 42 | 334 | 1,343 | 1,172 | 171 |
| | 4 | 592 | 91 | 165 | 116 | 56 | 382 | 1,402 | 1,242 | 160 |
| 1979 | 1 | 652 | 110 | 185 | 36 | 61 | 755 | 1,799 | 1,619 | 180 |
| | 2 | 639 | 108 | 175 | 6 | 61 | 807 | 1,796 | 1,609 | 187 |
| | 3 | 778 | 114 | 189 | 3 | 70 | 1,027 | 2,181 | 1,965 | 216 |
| | 4 | 746 | 118 | 192 | -89 | 91 | 1,045 | 2,103 | 1,870 | 233 |
| 1980 | 1 | 797 | 144 | 219 | -44 | 112 | 876 | 2,104 | 1,869 | 235 |
| | 2 | 755 | 165 | 221 | 155 | 106 | 782 | 2,184 | 1,926 | 258 |
| | 3 | 649 | 182 | 256 | 97 | 91 | 594 | 1,869 | 1,643 | 226 |
| | 4 | 713 | 188 | 274 | 144 | 123 | 690 | 2,132 | 1,908 | 224 |
| 1981 | 1 | 825 | 191 | 287 | 108 | 125 | 688 | 2,224 | 2,008 | 216 |
| | 2 | 894 | 189 | 290 | 282 | 140 | 558 | 2,353 | 2,089 | 264 |
| | 3 | 898 | 197 | 358 | 273 | 168 | 663 | 2,557 | 2,301 | 256 |
| | 4 | 980 | 219 | 408 | 347 | 151 | 850 | 2,955 | 2,743 | 212 |
| 1982 | 1 | 745 | 217 | 431 | 117 | 147 | 555 | 2,213 | 2,009 | 204 |
| | 2 | 918 | 224 | 421 | 484 | 152 | 557 | 2,755 | 2,552 | 203 |
| | 3 | 757 | 238 | 404 | 451 | 132 | 605 | 2,587 | 2,386 | 201 |
| | 4 | 727 | 257 | 392 | 402 | 108 | 586 | 2,472 | 2,265 | 207 |

1. Earnings on direct investment exclude the earnings of oil companies.

INTEREST, PROFITS AND DIVIDENDS: DEBITS

TABLE 6 (continued)

£ million

| | | Earnings on: | | | | | | | of which: | | Balance of IPD | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Direct investment[1] | Foreign oil companies' investment in UK | Portfolio investment | Foreign currency borrowing by general government[2] | Sterling liabilities | Other | Total debits | Private sector and public corporations | General government | Private sector and public corporations | General government | Total |
| 1974 | | 622 | 27 | 252 | 139 | 623 | 208 | 1,871 | 1,282 | 589 | +1,767 | -352 | +1,415 |
| 1975 | | 625 | -23 | 307 | 259 | 651 | 249 | 2,068 | 1,288 | 780 | +1,287 | -514 | +773 |
| 1976 | | 1,040 | -76 | 385 | 368 | 567 | 322 | 2,606 | 1,705 | 901 | +2,013 | -648 | +1,365 |
| 1977 | | 1,432 | 565 | 572 | 422 | 466 | 457 | 3,914 | 2,810 | 1,104 | +838 | -720 | +118 |
| 1978 | | 1,527 | 703 | 669 | 522 | 496 | 616 | 4,533 | 3,250 | 1,283 | +1,207 | -592 | +615 |
| 1979 | | 2,149 | 1,940 | 747 | 576 | 911 | 664 | 6,987 | 5,631 | 1,356 | +1,432 | -540 | +892 |
| 1980 | | 1,982 | 2,965 | 899 | 518 | 1,529 | 669 | 8,562 | 7,005 | 1,557 | +341 | -614 | -273 |
| 1981 | | 2,106 | 2,774 | 971 | 489 | 1,902 | 836 | 9,078 | 7,458 | 1,620 | +1,683 | -672 | +1,011 |
| 1982 | | 2,245 | 2,850 | 1,066 | 402 | 2,282 | 945 | 9,790 | 8,109 | 1,681 | +1,103 | -866 | +237 |
| Unadjusted | | | | | | | | | | | | | |
| 1978 | 1 | 377 | 135 | 152 | 119 | 111 | 110 | 1,004 | 715 | 289 | +213 | -118 | +95 |
| | 2 | 379 | 142 | 211 | 144 | 104 | 188 | 1,168 | 796 | 372 | +308 | -175 | +133 |
| | 3 | 370 | 148 | 150 | 114 | 135 | 130 | 1,047 | 763 | 284 | +410 | -118 | +292 |
| | 4 | 401 | 278 | 156 | 145 | 146 | 188 | 1,314 | 976 | 338 | +276 | -181 | +95 |
| 1979 | 1 | 419 | 361 | 140 | 130 | 154 | 136 | 1,340 | 1,058 | 282 | +553 | -105 | +448 |
| | 2 | 576 | 493 | 196 | 169 | 196 | 202 | 1,832 | 1,445 | 387 | +195 | -182 | +13 |
| | 3 | 395 | 626 | 193 | 107 | 230 | 131 | 1,682 | 1,382 | 300 | +572 | -93 | +479 |
| | 4 | 759 | 460 | 218 | 170 | 331 | 195 | 2,133 | 1,746 | 387 | +112 | -160 | -48 |
| 1980 | 1 | 550 | 814 | 204 | 108 | 326 | 151 | 2,153 | 1,821 | 332 | +48 | -105 | -57 |
| | 2 | 606 | 822 | 280 | 177 | 367 | 236 | 2,488 | 1,982 | 506 | -21 | -217 | -238 |
| | 3 | 337 | 644 | 223 | 93 | 379 | 108 | 1,784 | 1,439 | 345 | +190 | -135 | +55 |
| | 4 | 489 | 685 | 192 | 140 | 457 | 174 | 2,137 | 1,763 | 374 | +124 | -157 | -33 |
| 1981 | 1 | 396 | 653 | 222 | 81 | 427 | 142 | 1,921 | 1,582 | 339 | +440 | -132 | +308 |
| | 2 | 445 | 489 | 272 | 191 | 449 | 286 | 2,132 | 1,596 | 536 | +531 | -233 | +298 |
| | 3 | 593 | 599 | 253 | 98 | 459 | 180 | 2,182 | 1,818 | 364 | +470 | -123 | +347 |
| | 4 | 672 | 1,033 | 224 | 119 | 567 | 228 | 2,843 | 2,462 | 381 | +242 | -184 | +58 |
| 1982 | 1 | 665 | 611 | 265 | 52 | 495 | 182 | 2,270 | 1,940 | 330 | +84 | -153 | -69 |
| | 2 | 552 | 607 | 289 | 139 | 595 | 387 | 2,569 | 2,028 | 541 | +555 | -262 | +293 |
| | 3 | 494 | 714 | 284 | 63 | 605 | 174 | 2,334 | 1,941 | 393 | +433 | -218 | +215 |
| | 4 | 534 | 918 | 228 | 148 | 587 | 202 | 2,617 | 2,200 | 417 | +31 | -233 | -202 |
| Seasonally adjusted | | | | | | | | | | | | | |
| 1978 | 1 | 379 | 135 | 168 | 129 | 106 | 140 | 1,057 | 738 | 319 | +208 | -145 | +63 |
| | 2 | 352 | 142 | 171 | 129 | 110 | 155 | 1,059 | 736 | 323 | +361 | -137 | +224 |
| | 3 | 426 | 148 | 162 | 131 | 140 | 156 | 1,163 | 843 | 320 | +329 | -149 | +180 |
| | 4 | 370 | 278 | 168 | 133 | 140 | 165 | 1,254 | 933 | 321 | +309 | -161 | +148 |
| 1979 | 1 | 435 | 361 | 152 | 144 | 160 | 165 | 1,417 | 1,103 | 314 | +516 | -134 | +382 |
| | 2 | 563 | 493 | 164 | 150 | 203 | 161 | 1,734 | 1,402 | 332 | +207 | -145 | +62 |
| | 3 | 480 | 626 | 194 | 129 | 244 | 159 | 1,832 | 1,500 | 332 | +465 | -116 | +349 |
| | 4 | 671 | 460 | 237 | 153 | 304 | 179 | 2,004 | 1,626 | 378 | +244 | -145 | +99 |
| 1980 | 1 | 573 | 814 | 226 | 124 | 334 | 188 | 2,259 | 1,888 | 371 | -19 | -136 | -155 |
| | 2 | 592 | 822 | 237 | 157 | 377 | 168 | 2,353 | 1,925 | 428 | +1 | -170 | -169 |
| | 3 | 390 | 644 | 223 | 117 | 397 | 143 | 1,914 | 1,537 | 377 | +106 | -151 | -45 |
| | 4 | 427 | 685 | 213 | 120 | 421 | 170 | 2,036 | 1,655 | 381 | +253 | -157 | +96 |
| 1981 | 1 | 404 | 653 | 231 | 98 | 449 | 186 | 2,021 | 1,642 | 379 | +366 | -163 | +203 |
| | 2 | 427 | 489 | 238 | 162 | 449 | 204 | 1,969 | 1,531 | 438 | +558 | -174 | +384 |
| | 3 | 708 | 599 | 248 | 124 | 477 | 222 | 2,378 | 1,980 | 398 | +321 | -142 | +179 |
| | 4 | 567 | 1,033 | 254 | 105 | 527 | 224 | 2,710 | 2,305 | 405 | +438 | -193 | +245 |
| 1982 | 1 | 680 | 611 | 276 | 63 | 514 | 242 | 2,386 | 2,017 | 369 | -8 | -165 | -173 |
| | 2 | 524 | 607 | 251 | 122 | 603 | 254 | 2,361 | 1,939 | 422 | +613 | -219 | +394 |
| | 3 | 579 | 714 | 275 | 89 | 619 | 234 | 2,510 | 2,079 | 431 | +307 | -230 | +77 |
| | 4 | 462 | 918 | 264 | 128 | 546 | 215 | 2,533 | 2,074 | 459 | +191 | -252 | -61 |

1. Earnings on direct investment exclude the earnings of oil companies.

2. Excluding foreign currency issues but including loans raised by all public bodies under the exchange cover scheme.

TRANSFERS

TABLE 7

£ million

| | Private sector | | | General government | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Credits | | Debits | | | | | Balance | | |
| | | | | EC institutions | | | Contributions and subscriptions to international orgs. | | | | | | |
| | Credits | Debits | Balance of private sector | Budget refunds | Other | Bilateral aid | EC | Other | Pensions, benefits and other transfers | Total debits | Total | of which: with EC institutions | Balance of transfers |
| 1974 | 357 | 454 | -97 | - | 132 | 108 | 186 | 90 | 71 | 455 | -323 | -54 | -420 |
| 1975 | 393 | 503 | -110 | - | 366 | 160 | 350 | 143 | 83 | 736 | -370 | +16 | -480 |
| 1976 | 537 | 509 | +28 | - | 253 | 264 | 474 | 192 | 111 | 1,041 | -788 | -221 | -760 |
| 1977 | 614 | 614 | - | - | 298 | 278 | 750 | 254 | 131 | 1,413 | -1,115 | -452 | -1,115 |
| 1978 | 774 | 848 | -74 | - | 439 | 387 | 1,364 | 233 | 158 | 2,142 | -1,703 | -925 | -1,777 |
| 1979 | 796 | 992 | -196 | - | 550 | 497 | 1,626 | 325 | 160 | 2,608 | -2,058 | -1,076 | -2,254 |
| 1980 | 808 | 1,083 | -275 | 98 | 860 | 537 | 1,783 | 281 | 189 | 2,790 | -1,832 | -825 | -2,107 |
| 1981 | 844 | 1,119 | -275 | 693 | 965 | 604 | 2,188 | 285 | 287 | 3,364 | -1,706 | -530 | -1,981 |
| 1982 | 967 | 1,207 | -240 | 1,019 | 1,138 | 567 | 2,878 | 325 | 365 | 4,135 | -1,978 | -721 | -2,218 |
| Unadjusted | | | | | | | | | | | | | |
| 1978 1 | 177 | 228 | -51 | - | 84 | 153 | 382 | 80 | 43 | 658 | -574 | -298 | -625 |
| 2 | 196 | 205 | -9 | - | 79 | 49 | 271 | 71 | 37 | 428 | -349 | -192 | -358 |
| 3 | 198 | 211 | -13 | - | 114 | 74 | 379 | 41 | 40 | 534 | -420 | -265 | -433 |
| 4 | 203 | 204 | -1 | - | 162 | 111 | 332 | 41 | 38 | 522 | -360 | -170 | -361 |
| 1979 1 | 201 | 220 | -19 | - | 104 | 212 | 362 | 110 | 42 | 726 | -622 | -258 | -641 |
| 2 | 199 | 205 | -6 | - | 126 | 63 | 386 | 98 | 34 | 581 | -455 | -260 | -461 |
| 3 | 193 | 275 | -82 | - | 143 | 97 | 428 | 57 | 41 | 623 | -480 | -285 | -562 |
| 4 | 203 | 292 | -89 | - | 177 | 125 | 450 | 60 | 43 | 678 | -601 | -273 | -590 |
| 1980 1 | 198 | 273 | -75 | - | 227 | 231 | 415 | 93 | 54 | 793 | -566 | -188 | -641 |
| 2 | 202 | 271 | -69 | - | 164 | 77 | 483 | 83 | 46 | 689 | -525 | -319 | -594 |
| 3 | 203 | 271 | -68 | - | 197 | 114 | 466 | 71 | 44 | 695 | -498 | -269 | -566 |
| 4 | 205 | 268 | -63 | 98 | 272 | 115 | 419 | 34 | 45 | 613 | -243 | -49 | -306 |
| 1981 1 | 207 | 274 | -67 | 547 | 227 | 298 | 544 | 90 | 71 | 1,003 | -229 | +230 | -296 |
| 2 | 209 | 275 | -66 | - | 121 | 69 | 507 | 88 | 58 | 722 | -601 | -386 | -667 |
| 3 | 212 | 280 | -68 | 28 | 204 | 107 | 660 | 61 | 73 | 901 | -669 | -428 | -737 |
| 4 | 216 | 290 | -74 | 118 | 413 | 130 | 477 | 46 | 85 | 738 | -207 | +54 | -281 |
| 1982 1 | 223 | 295 | -72 | 813 | 291 | 244 | 700 | 95 | 101 | 1,140 | -36 | +404 | -108 |
| 2 | 234 | 299 | -65 | 9 | 150 | 60 | 723 | 102 | 83 | 968 | -809 | -564 | -874 |
| 3 | 247 | 303 | -56 | 72 | 270 | 85 | 750 | 68 | 90 | 993 | -651 | -408 | -707 |
| 4 | 263 | 310 | -47 | 125 | 427 | 178 | 705 | 60 | 91 | 1,034 | -482 | -153 | -529 |
| Seasonally adjusted | | | | | | | | | | | | | |
| 1978 1 | 177 | 228 | -51 | - | 84 | 86 | 384 | 62 | 37 | 569 | -485 | -300 | -536 |
| 2 | 196 | 205 | -9 | - | 79 | 86 | 280 | 60 | 40 | 466 | -387 | -201 | -396 |
| 3 | 198 | 211 | -13 | - | 114 | 98 | 378 | 51 | 41 | 568 | -454 | -264 | -467 |
| 4 | 203 | 204 | -1 | - | 162 | 117 | 322 | 60 | 40 | 539 | -377 | -160 | -378 |
| 1979 1 | 201 | 220 | -19 | - | 104 | 119 | 356 | 86 | 37 | 598 | -494 | -252 | -513 |
| 2 | 199 | 205 | -6 | - | 126 | 119 | 394 | 82 | 36 | 631 | -505 | -268 | -511 |
| 3 | 193 | 275 | -82 | - | 143 | 128 | 430 | 72 | 42 | 672 | -529 | -287 | -611 |
| 4 | 203 | 292 | -89 | - | 177 | 131 | 446 | 85 | 45 | 707 | -530 | -269 | -619 |
| 1980 1 | 198 | 273 | -75 | 24 | 227 | 125 | 405 | 70 | 48 | 648 | -396 | -153 | -471 |
| 2 | 202 | 271 | -69 | 24 | 164 | 142 | 489 | 70 | 49 | 750 | -562 | -301 | -631 |
| 3 | 203 | 271 | -68 | 25 | 197 | 148 | 471 | 85 | 45 | 749 | -528 | -250 | -596 |
| 4 | 205 | 268 | -63 | 25 | 272 | 122 | 418 | 56 | 47 | 643 | -346 | -121 | -409 |
| 1981 1 | 207 | 274 | -67 | 173 | 227 | 179 | 535 | 68 | 64 | 846 | -446 | -135 | -513 |
| 2 | 209 | 275 | -66 | 173 | 121 | 141 | 511 | 73 | 62 | 787 | -492 | -216 | -558 |
| 3 | 212 | 280 | -68 | 173 | 204 | 143 | 666 | 75 | 74 | 958 | -581 | -289 | -649 |
| 4 | 216 | 290 | -74 | 174 | 413 | 141 | 476 | 69 | 87 | 773 | -187 | +110 | -261 |
| 1982 1 | 223 | 295 | -72 | 255 | 291 | 139 | 689 | 71 | 93 | 992 | -446 | -143 | -518 |
| 2 | 234 | 299 | -65 | 255 | 150 | 123 | 729 | 86 | 88 | 1,026 | -621 | -324 | -686 |
| 3 | 247 | 303 | -56 | 255 | 270 | 117 | 757 | 83 | 91 | 1,048 | -523 | -232 | -579 |
| 4 | 263 | 310 | -47 | 254 | 427 | 188 | 703 | 85 | 93 | 1,069 | -388 | -22 | -435 |

INVESTMENT AND OTHER CAPITAL TRANSACTIONS [1]

TABLE 8

Not seasonally adjusted

£ million

| | | Overseas investment in | | UK private investment overseas | Official long-term capital | Trade credit[2] | Foreign currency borrowing or lending abroad by UK banks[3,5] | Exchange reserves in sterling[4] | | Other external banking and money market liabilities in sterling[5] | External sterling lending by UK banks[5,6] | Other external borrowing or lending[7] | Other transactions | Total investment and other capital transactions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | UK public sector | UK private sector | | | | | British government stocks | Banking and money market liabilities, etc.[5] | | | | | |
| 1971 | | +103 | +912 | -860 | -274 | -233 | +471 | +55 | +658 | +709 | +39 | +144 | +66 | +1,790 |
| 1972 | | +113 | +659 | -1,402 | -254 | -211 | +471 | +65 | +222 | -91 | -241 | +146 | -161 | -684 |
| 1973 | | +156 | +1,341 | -1,760 | -255 | -203 | +535 | +74 | +87 | -7 | +35 | +339 | -176 | +166 |
| 1974 | | +180 | +2,024 | -1,148 | -287 | -722 | -295 | -124 | +1,534 | +148 | +53 | +351 | -120 | +1,594 |
| 1975 | | -13 | +1,527 | -1,367 | -291 | -518 | +253 | +7 | -622 | +549 | +96 | +316 | +200 | +137 |
| 1976 | | +179 | +1,912 | -2,269 | -161 | -992 | -106 | +12 | -1,413 | +256 | -350 | +121 | -198 | -3,009 |
| 1977 | | +1,432 | +2,967 | -2,334 | -303 | -355 | +364 | +6 | -16 | +1,481 | +58 | +813 | +56 | +4,169 |
| 1978 | | -97 | +2,005 | -4,634 | -336 | -631 | -433 | -113 | - | +293 | -504 | +106 | +51 | -4,293 |
| 1979 | | +902 | +3,459 | -6,555 | -401 | -795 | +1,623 | +247 | +509 | +2,580 | +205 | +541 | -68 | +2,247 |
| 1980 | | +589 | +4,654 | -8,204 | -91 | -1,170 | +2,054 | +945 | +317 | +2,558 | -2,500 | -766 | -217 | -1,831 |
| 1981 | | +188 | +3,168 | -10,687 | -336 | -817 | +1,471 | +267 | -118 | +2,607 | -2,944 | +39 | +80 | -7,082 |
| 1982 | | +327 | +3,317 | -10,003 | -344 | -1,451 | +4,700 | -32 | +440 | +4,164 | -3,213 | +954 | +502 | -639 |
| 1974 | 1 | +22 | +830 | -358 | -53 | -125 | -61 | +68 | +164 | -53 | +1 | +100 | -21 | +514 |
| | 2 | +96 | +404 | -101 | -44 | -273 | +56 | -190 | +421 | +155 | +104 | +57 | - | +685 |
| | 3 | +4 | +471 | -198 | -23 | -127 | -346 | -67 | +622 | +61 | -2 | +102 | +3 | +500 |
| | 4 | +58 | +319 | -491 | -167 | -197 | +56 | +65 | +327 | -15 | -50 | +92 | -102 | -105 |
| 1975 | 1 | +36 | +305 | -378 | -72 | -208 | -62 | +6 | +222 | +19 | +46 | +77 | +108 | +99 |
| | 2 | -3 | +207 | -528 | -39 | -177 | +772 | -7 | -296 | +286 | -241 | +54 | +62 | +90 |
| | 3 | -57 | +580 | -108 | -30 | +137 | -15 | -67 | -313 | +1 | +35 | +82 | +11 | +256 |
| | 4 | +11 | +435 | -353 | -150 | -270 | -442 | +75 | -235 | +243 | +256 | +103 | +19 | -308 |
| 1976 | 1 | +1 | +591 | -598 | -37 | -355 | +94 | -10 | -72 | +6 | -245 | +147 | -79 | -557 |
| | 2 | +15 | +377 | -560 | -18 | -284 | -86 | -13 | -908 | -11 | -223 | +74 | -118 | -1,755 |
| | 3 | +61 | +458 | -547 | -28 | -35 | -272 | -19 | -330 | +212 | -124 | -29 | -8 | -661 |
| | 4 | +102 | +486 | -564 | -78 | -318 | +158 | +54 | -103 | +49 | +242 | -71 | +7 | -36 |
| 1977 | 1 | +353 | +927 | -566 | -23 | -136 | +419 | -163 | +345 | +199 | +166 | +141 | -55 | +1,607 |
| | 2 | +443 | +831 | -772 | -19 | -60 | -706 | -4 | -394 | +350 | -110 | +381 | +56 | -4 |
| | 3 | +252 | +727 | -499 | -30 | +91 | +187 | +31 | +43 | +323 | -23 | +216 | -47 | +1,271 |
| | 4 | +384 | +482 | -497 | -231 | -250 | +464 | +142 | -10 | +609 | +25 | +75 | +102 | +1,295 |
| 1978 | 1 | -55 | +869 | -897 | -23 | -169 | +128 | -33 | +176 | -62 | -292 | +160 | +21 | -177 |
| | 2 | -40 | +335 | -814 | -8 | -280 | -931 | -20 | -211 | -152 | -65 | +39 | -76 | -2,224 |
| | 3 | -21 | +352 | -1,189 | -66 | -126 | +343 | -34 | +43 | +159 | -82 | -15 | +185 | -451 |
| | 4 | +19 | +449 | -1,734 | -239 | -56 | +27 | -26 | -8 | +348 | -65 | -78 | -79 | -1,441 |
| 1979 | 1 | +245 | +351 | -1,516 | -78 | -320 | +1,002 | -130 | +268 | +470 | +103 | +75 | +77 | +547 |
| | 2 | +78 | +1,281 | -1,441 | -35 | -243 | +385 | +5 | +92 | +358 | +204 | +12 | +159 | +855 |
| | 3 | +429 | +923 | -1,950 | -66 | +154 | +671 | +206 | +194 | +450 | -101 | -254 | -348 | +308 |
| | 4 | +150 | +904 | -1,648 | -222 | -386 | -435 | +166 | -45 | +1,302 | -1 | +708 | +44 | +537 |
| 1980 | 1 | -18 | +1,429 | -2,139 | +10 | -328 | +767 | +45 | +455 | +256 | -324 | -508 | -188 | -543 |
| | 2 | +656 | +937 | -1,977 | -13 | -166 | +230 | +448 | -94 | +983 | -563 | -71 | -87 | +283 |
| | 3 | +55 | +987 | -1,818 | -2 | -404 | +593 | +437 | -80 | +824 | -668 | -21 | -42 | -139 |
| | 4 | -104 | +1,301 | -2,270 | -86 | -272 | +464 | +15 | +36 | +495 | -945 | -166 | +100 | -1,432 |
| 1981 | 1 | +82 | +348 | -3,020 | -128 | -12 | -426 | -95 | +187 | +301 | -1,229 | +244 | -130 | -3,878 |
| | 2 | -156 | +1,262 | -2,429 | -111 | -166 | -750 | +152 | +21 | +902 | -433 | -588 | +382 | -1,914 |
| | 3 | -11 | +757 | -2,216 | -5 | -58 | +58 | +95 | +49 | +1,015 | -796 | -104 | +56 | -1,160 |
| | 4 | +273 | +801 | -3,022 | -92 | -581 | +2,589 | +115 | -375 | +389 | -486 | +487 | -228 | -130 |
| 1982 | 1 | -58 | +1,084 | -3,042 | -211 | -246 | +1,656 | -167 | +512 | +1,119 | -1,097 | +354 | -239 | -335 |
| | 2 | -104 | +775 | -2,325 | -17 | -219 | +541 | +82 | -294 | +1,488 | +207 | +34 | -38 | +130 |
| | 3 | +223 | +551 | -2,520 | -2 | -343 | +1,264 | -228 | +478 | +1,034 | -1,341 | +4 | +161 | -719 |
| | 4 | +266 | +907 | -2,116 | -114 | -643 | +1,239 | +281 | -256 | +523 | -982 | +562 | +618 | +285 |

1. Assets: increase-/decrease+. Liabilities: increase+/decrease-. Excluding official financing.
2. Excluding trade credit between 'related' firms. After deducting advance and progress payments to suppliers. Net credit extended by UK merchants on third country trade is included within export credit.
3. Excluding changes in levels resulting from changes in sterling valuation: see notes on pages 40 and 51 of 'UK Balance of Payments 1982 Edition'.
4. Sterling reserves of overseas countries and international organisations, other than the IMF, as reported by banks, etc. in the UK.
5. Prior to 1982 includes transactions by 'other financial institutions'. For 1982 onwards these data relate only to transactions reported by UK monetary sector institutions. Transactions by 'other financial institutions' (for which levels data are included within Tables 16,17 and 18) are included within 'other external borrowing or lending'.
6. Excluding credit for UK exports.
7. From 1982 onwards includes transactions by 'other financial institutions' (see footnote 5). The estimate included for the latest quarter excludes a substantial part of the private sector borrowing from and lending to banks etc., overseas.

## OVERSEAS INVESTMENT IN UNITED KINGDOM [1]

TABLE 9

Not seasonally adjusted

£ million

| | | Direct [2] | | | Portfolio | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Net issues abroad [4] | | | | |
| | | Unremitted profits | Other | Total | Investment by oil companies | Investment in UK company securities | British government stocks [3] | British government foreign currency bonds | Local authorities securities | Public corporations | Local authorities | Total | Miscellaneous investment | Total overseas investment in UK |
| 1976 | | +541 | +258 | +799 | +819 | +259 | +116 | – | +14 | +49 | – | +438 | +35 | +2,091 |
| 1977 | | +837 | +489 | +1,326 | +1,131 | +421 | +979 | +395 | +28 | +30 | – | +1,853 | +89 | +4,399 |
| 1978 | | +720 | +572 | +1,292 | +666 | +12 | -3 | – | +4 | -98 | -5 | -85 | +35 | +1,908 |
| 1979 | | +1,297 | +521 | +1,818 | +1,215 | +351 | +929 | – | +41 | -6 | -62 | +1,253 | +75 | +4,361 |
| 1980 | | +838 | +1,738 | +2,576 | +1,714 | +264 | +571 | – | +19 | -1 | – | +853 | +100 | +5,243 |
| 1981 | | +1,027 | -153 | +874 | +1,904 | +320 | +201 | – | – | -13 | – | +508 | +70 | +3,356 |
| 1982 | | +1,175 | +21 | +1,196 | +1,876 | +95 | +502 | -115 | -5 | -55 | – | +422 | +150 | +3,644 |
| 1980 | 1 | +398 | +443 | +841 | +479 | +79 | -28 | – | +11 | -1 | – | +61 | +30 | +1,411 |
| | 2 | +255 | +172 | +427 | +460 | +40 | +646 | – | +10 | – | – | +696 | +10 | +1,593 |
| | 3 | +142 | +249 | +391 | +496 | +80 | +53 | – | +2 | – | – | +135 | +20 | +1,042 |
| | 4 | +43 | +874 | +917 | +279 | +65 | -100 | – | -4 | – | – | -39 | +40 | +1,197 |
| 1981 | 1 | +217 | -508 | -291 | +579 | +35 | +89 | – | +1 | -8 | – | +117 | +25 | +430 |
| | 2 | +221 | +519 | +740 | +407 | +100 | -157 | – | +2 | -1 | – | -56 | +15 | +1,106 |
| | 3 | +373 | -375 | -2 | +634 | +110 | -6 | – | -2 | -3 | – | +99 | +15 | +746 |
| | 4 | +216 | +211 | +427 | +284 | +75 | +275 | – | -1 | -1 | – | +348 | +15 | +1,074 |
| 1982 | 1 | +451 | +175 | +626 | +403 | -10 | -48 | – | -6 | -4 | – | -68 | +65 | +1,026 |
| | 2 | +275 | -179 | +96 | +674 | -20 | +11 | -115 | – | – | – | -124 | +25 | +671 |
| | 3 | +267 | -100 | +167 | +374 | -20 | +222 | – | +1 | – | – | +203 | +30 | +774 |
| | 4 | +182 | +125 | +307 | +425 | +145 | +317 | – | – | -51 | – | +411 | +30 | +1,173 |

1. Net of disinvestment. Liabilities: increase+/decrease–.
2. Excluding the transactions of oil companies.
3. Excluding investments by central monetary institutions and international organisations.
4. Excluding official financing.

## UK PRIVATE INVESTMENT OVERSEAS [1]

TABLE 10

Not seasonally adjusted

£ million

| | | Direct [2] | | | | | |
|---|---|---|---|---|---|---|---|
| | | Unremitted profits | Other | Total | Oil companies' and other miscellanous investment | Portfolio | Total |
| 1976 | | -1,454 | -691 | -2,145 | -214 | +90 | -2,269 |
| 1977 | | -1,292 | -593 | -1,885 | -461 | +12 | -2,334 |
| 1978 | | -1,259 | -1,481 | -2,740 | -821 | -1,073 | -4,634 |
| 1979 | | -1,636 | -1,152 | -2,788 | -2,858 | -909 | -6,555 |
| 1980 | | -1,646 | -1,845 | -3,491 | -1,566 | -3,147 | -8,204 |
| 1981 | | -2,184 | -2,973 | -5,157 | -1,380 | -4,150 | -10,687 |
| 1982 | | -1,542 | -1,522 | -3,064 | -1,139 | -5,800 | -10,003 |
| 1979 | 1 | -336 | -219 | -555 | -711 | -250 | -1,516 |
| | 2 | -354 | -594 | -948 | -451 | -42 | -1,441 |
| | 3 | -501 | -71 | -572 | -1,077 | -301 | -1,950 |
| | 4 | -445 | -268 | -713 | -619 | -316 | -1,648 |
| 1980 | 1 | -520 | -530 | -1,050 | -563 | -526 | -2,139 |
| | 2 | -404 | -925 | -1,329 | -327 | -321 | -1,977 |
| | 3 | -388 | -117 | -505 | -233 | -1,080 | -1,818 |
| | 4 | -334 | -273 | -607 | -443 | -1,220 | -2,270 |
| 1981 | 1 | -587 | -639 | -1,226 | -434 | -1,360 | -3,020 |
| | 2 | -520 | -551 | -1,071 | -368 | -990 | -2,429 |
| | 3 | -605 | -587 | -1,192 | -294 | -730 | -2,216 |
| | 4 | -472 | -1,196 | -1,668 | -284 | -1,070 | -3,022 |
| 1982 | 1 | -494 | -623 | -1,117 | -295 | -1,630 | -3,042 |
| | 2 | -526 | -326 | -852 | -183 | -1,290 | -2,325 |
| | 3 | -327 | -515 | -842 | -338 | -1,340 | -2,520 |
| | 4 | -195 | -58 | -253 | -323 | -1,540 | -2,116 |

1. Net of disinvestment. Assets: increase–/decrease+.
2. Excluding the transactions of oil companies but including investment by a number of public corporations.

## OFFICIAL LONG-TERM CAPITAL [1]

TABLE 11

Not seasonally adjusted

£ million

| | Inter government loans | | | | Other official long-term capital | | |
|---|---|---|---|---|---|---|---|
| | Made by UK | Repaid to UK | Repaid by UK | Total | UK subscriptions, to IDA, etc. | Other | Total official long-term capital [2] |
| 1976 | -54 | +37 | -21 | -38 | -110 | -13 | -161 |
| 1977 | -44 | +48 | -68 | -64 | -212 | -26 | -303 |
| 1978 | -71 | +46 | -65 | -90 | -225 | -21 | -336 |
| 1979 | -81 | +70 | -116 | -128 | -259 | -14 | -401 |
| 1980 | -61 | +112 | -57 | -6 | -53 | -32 | -91 |
| 1981 | -76 | +86 | -73 | -64 | -222 | -51 | -336 |
| 1982 | -49 | +78 | -87 | -58 | -244 | -42 | -344 |
| 1979 1 | -25 | +19 | - | -6 | -67 | -6 | -78 |
| 2 | -24 | +14 | -5 | -15 | -10 | -10 | -35 |
| 3 | -18 | +18 | -56 | -56 | - | -10 | -66 |
| 4 | -14 | +19 | -55 | -51 | -182 | +12 | -222 |
| 1980 1 | -15 | +36 | - | +22 | -5 | -7 | +10 |
| 2 | -17 | +24 | -5 | +2 | -12 | -3 | -13 |
| 3 | -12 | +27 | - | +14 | -9 | -7 | -2 |
| 4 | -17 | +25 | -52 | -44 | -27 | -15 | -86 |
| 1981 1 | -34 | +23 | - | -11 | -97 | -21 | -128 |
| 2 | -15 | +20 | -6 | -2 | -98 | -10 | -111 |
| 3 | -16 | +18 | - | +2 | - | -7 | -5 |
| 4 | -11 | +25 | -67 | -53 | -27 | -13 | -92 |
| 1982 1 | -20 | +19 | - | -1 | -196 | -15 | -211 |
| 2 | -12 | +21 | -8 | +1 | -9 | -9 | -17 |
| 3 | -8 | +17 | - | +10 | -5 | -7 | -2 |
| 4 | -9 | +21 | -79 | -68 | -34 | -11 | -114 |

1. Assets: increase-/decrease+. Liabilities: increase+/decrease-.
2. Components and totals are rounded independently.

## IMPORT AND EXPORT CREDIT [1]

TABLE 12

Not seasonally adjusted

£ million

| | Import credit | | | | | Export credit | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Credit received by UK businesses | | | | | Credit extended by UK banks | | | | | | |
| | Identified long-term [2] | Other | Total | Advance and progress payments | Total | Identified long-term | Other | Total | of which: UK banks' lending in sterling | Suppliers' credit [3] | Advance and progress payments | Total |
| 1976 | -79 | +246 | +167 | -56 | +111 | -706 | -111 | -817 | -817 | -580 | +294 | -1,103 |
| 1977 | +76 | +130 | +206 | +74 | +280 | -601 | +13 | -588 | -578 | -315 | +268 | -635 |
| 1978 | -70 | +163 | +93 | +198 | +291 | -625 | +58 | -567 | -360 | -490 | +135 | -922 |
| 1979 | -173 | +364 | +191 | -130 | +61 | -440 | +89 | -351 | +110 | -805 | +300 | -856 |
| 1980 | +1 | -211 | -210 | -58 | -268 | -808 | -77 | -885 | -32 | -204 | +187 | -902 |
| 1981 | -68 | +162 | +94 | +11 | +105 | -720 | +127 | -593 | +401 | -475 | +146 | -922 |
| 1982 | -45 | -75 | -120 | -72 | -192 | -1,335 | +215 | -1,120 | -327 | -201 | +62 | -1,259 |
| 1980 1 | +37 | -9 | +28 | -6 | +22 | -192 | -94 | -286 | -94 | -109 | +45 | -350 |
| 2 | +61 | -22 | +39 | +7 | +46 | -151 | +1 | -150 | +41 | -46 | -16 | -212 |
| 3 | -63 | -90 | -153 | -51 | -204 | -246 | -23 | -269 | -24 | +7 | +62 | -200 |
| 4 | -34 | -90 | -124 | -8 | -132 | -219 | +39 | -180 | +45 | -56 | +96 | -140 |
| 1981 1 | - | - | - | -83 | -83 | +29 | +70 | +99 | +333 | -136 | +108 | +71 |
| 2 | -28 | +41 | +13 | +37 | +50 | -303 | +112 | -191 | +114 | -26 | +1 | -216 |
| 3 | -17 | +146 | +129 | +82 | +211 | -244 | -55 | -299 | -67 | -61 | +91 | -269 |
| 4 | -23 | -25 | -48 | -25 | -73 | -202 | - | -202 | +21 | -252 | -54 | -508 |
| 1982 1 | -23 | -24 | -47 | -53 | -100 | -237 | +5 | -232 | -60 | +47 | +39 | -146 |
| 2 | +5 | +10 | +15 | -55 | -40 | -292 | - | -292 | -48 | +99 | +14 | -179 |
| 3 | -12 | -61 | -73 | +65 | -8 | -307 | +16 | -291 | -117 | -45 | +1 | -335 |
| 4 | -15 | - | -15 | -29 | -44 | -499 | +194 | -305 | -102 | -302 | +8 | -599 |

1. Excluding trade credit between 'related' firms. Assets: increase-/decrease+. Liabilities: increase+/decrease-.
2. Credit on ships, commercial aircraft and North Sea installations
3. Includes net credit extended by UK merchants on third-country trade.

## OTHER TRANSACTIONS [1]

TABLE 13

Not seasonally adjusted

£ million

| | Other external borrowing or lending [2] | | | | | | Other transactions | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Borrowing from banks etc. overseas by | | | | | | | | | |
| | Public corporations [3] | Local authorities [3,4] | Total public sector [3] | UK private sector [3] | Bank deposits and lending overseas [5] | Total | Official assets and liabilities (net) | Other commercial short-term transactions (net) | IMF expenditure and receipts in sterling | Total |
| 1976 | +27 | – | +27 | +240 | –146 | +121 | +19 | –217 | – | –198 |
| 1977 | +746 | +4 | +750 | +318 | –254 | +813 | +52 | +4 | – | +56 |
| 1978 | +11 | +11 | +22 | +710 | –626 | +106 | +77 | –40 | +14 | +51 |
| 1979 | –18 | +10 | –8 | +955 | –405 | +541 | +145 | –200 | –13 | –68 |
| 1980 | –184 | +11 | –173 | +436 | –1,028 | –766 | –150 | –67 | – | –217 |
| 1981 | –29 | +4 | –25 | +574 | –511 | +39 | +196 | –116 | – | +80 |
| 1982 | –104 | –3 | –107 | +303 | +757 | +954 | +428 | +74 | – | +502 |
| 1980 1 | –100 | +6 | –94 | +108 | –522 | –508 | –120 | –68 | – | –188 |
| 2 | –76 | – | –76 | +131 | –125 | –71 | +23 | –110 | – | –87 |
| 3 | +1 | +5 | +6 | –164 | +137 | –21 | +20 | –62 | – | –42 |
| 4 | –9 | – | –9 | +361 | –518 | –166 | –73 | +173 | – | +100 |
| 1981 1 | –2 | +1 | –1 | +183 | +62 | +244 | –92 | –38 | – | –130 |
| 2 | –9 | +2 | –7 | –290 | –292 | –588 | +259 | +123 | – | +382 |
| 3 | +13 | +1 | +14 | +154 | –272 | –104 | +60 | –4 | – | +56 |
| 4 | –31 | – | –31 | +527 | –9 | +487 | –31 | –197 | – | –228 |
| 1982 1 | –29 | – | –29 | –635 | +1,017 | +354 | –287 | +48 | – | –239 |
| 2 | –52 | –1 | –53 | +235 | –148 | +34 | +203 | –241 | – | –38 |
| 3 | –2 | – | –2 | +195 | –189 | +4 | +102 | +59 | – | +161 |
| 4 | –21 | –2 | –23 | +508 | +77 | +562 | +410 | +208 | – | +618 |

1. Assets: increase–/decreases+.
   Liabilities: increase+/decreases–.
2. Net of repayments.
3. Excluding net foreign currency borrowing under the exchange cover scheme which is included under 'official financing'.
4. Includes a loan to Northern Ireland Central Government (£1 million in 1981 Q1).
5. From 1982 onwards includes transactions by 'other financial institutions' (see footnote 5 to Table 8). The estimate included for the latest quarter excludes a substantial part of private sector business with banks etc. overseas.

## THE UK CONTINENTAL SHELF OIL AND GAS PROGRAMME [1]

TABLE 14

Not seasonally adjusted

£ million

| | Volume of sales | | Value of sales | | Identifiable balance of payments entries | | | |
|---|---|---|---|---|---|---|---|---|
| | Gas (billion cubic metres) | Oil (million tonnes) [2] | Gas | Oil | Import of goods [3] | Imports less exports of services | I.P.D. due abroad [4] | Overseas investment in UKCS etc [5] |
| 1976 | 38.3 | 11.8 | 258 | 645 | –536 | –647 | –24 | +1,142 |
| 1977 | 40.4 | 37.8 | 317 | 2,226 | –531 | –704 | –550 | +1,508 |
| 1978 | 38.5 | 53.1 | 432 | 2,805 | –185 | –543 | –744 | +791 |
| 1979 | 38.8 | 77.5 | 538 | 5,689 | –171 | –436 | –1,368 | +696 |
| 1980 | 36.4 | 79.2 | 647 | 8,851 | –144 | –469 | –2,215 | +841 |
| 1981 | 35.5 | 89.6 | 843 | 12,341 | –377 | –561 | –2,351 | +1,651 |
| 1982 | 35.6 | 101.4 | 970 | 14,392 | –418 | –673 | –2,761 | +1,354 |
| 1979 1 | 14.0 | 17.7 | 182 | 1,005 | –15 | –87 | –291 | +179 |
| 2 | 8.6 | 19.4 | 110 | 1,314 | –15 | –94 | –336 | +200 |
| 3 | 5.3 | 20.9 | 78 | 1,638 | –65 | –115 | –373 | +100 |
| 4 | 10.9 | 19.5 | 168 | 1,732 | –76 | –140 | –368 | +217 |
| 1980 1 | 13.4 | 19.8 | 197 | 2,132 | –19 | –101 | –571 | +195 |
| 2 | 7.1 | 19.5 | 125 | 2,222 | –50 | –109 | –618 | +129 |
| 3 | 4.4 | 19.1 | 92 | 2,160 | –26 | –116 | –488 | +319 |
| 4 | 11.5 | 20.8 | 233 | 2,337 | –49 | –143 | –538 | +198 |
| 1981 1 | 12.3 | 22.0 | 257 | 2,822 | –40 | –91 | –546 | +454 |
| 2 | 7.1 | 21.8 | 163 | 3,042 | –149 | –136 | –466 | +342 |
| 3 | 4.3 | 22.3 | 123 | 3,134 | –145 | –141 | –508 | +616 |
| 4 | 11.8 | 23.5 | 300 | 3,343 | –43 | –193 | –831 | +239 |
| 1982 1 | 12.9 | 22.7 | 318 | 3,120 | –31 | –161 | –633 | +555 |
| 2 | 6.6 | 25.9 | 191 | 3,433 | –78 | –152 | –544 | +128 |
| 3 | 5.2 | 26.0 | 139 | 3,754 | –178 | –200 | –668 | +346 |
| 4 | 10.9 | 26.8 | 322 | 4,085 | –131 | –160 | –916 | +325 |

1. No attempt has been made to measure the impact of the oil and gas programme on the balance of payments accounts. The problems involved are described briefly in Chapter 9 of 'United Kingdom Balance of Payments 1982 Edition' (the 'Pink Book').
2. Including condensates and petroleum gases.
3. Identified direct imports of goods for use on UKCS.
4. Profits of UK subsidiaries of overseas companies earned in respect of their UKCS operations (including profits retained in the United Kingdom); interest paid overseas by public corporations on their borrowing for the UK Continental Shelf programme; and rough estimates of interest paid on foreign currency borrowing from UK banks in respect of the UKCS programme.
5. Overseas investment for use in the UK Continental Shelf programme (including profits of UK subsidiaries of overseas companies retained in the United Kingdom); foreign currency borrowing from UK banks for use on the Shelf; borrowing abroad by public corporations for use on the Shelf; identified trade credit and progress payments on imports of platforms, rigs, etc.

OFFICIAL FINANCING [1]

TABLE 15

£ million

| | | Net transactions with overseas monetary authorities | | | | | | | Foreign currency borrowing: | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | International Monetary Fund [2] | | | | Other monetary authorities [3] | | | | | | |
| | | UK drawings | UK re-purchases | Other net drawings [4] | Total | Foreign currency deposits | Other | Total | by HM Government [5] | by public bodies under exchange cover scheme [6] | Drawings on (+): additions to(–) official reserves [7] | Total official financing |
| 1976 | | +1,018 | – | – | +1,018 | –20 | –14 | –34 | – | +1,791 | +853 | +3,628 |
| 1977 | | +1,525 | –412 | – | +1,113 | – | – | – | +871 | +243 | –9,588 | –7,361 |
| 1978 | | – | –948 | –68 | –1,016 | – | – | – | +191 | –378 | +2,329 | +1,126 |
| 1979 | | – | –596 | – | –596 | – | – | – | – | –250 | –1,059 | –1,905 |
| 1980 | | – | –140 | – | –140 | – | – | – | –629 | –312 | –291 | –1,372 |
| 1981 | | – | –145 | – | –145 | – | – | – | –1,234 | –353 | +2,419 | +687 |
| 1982 | | – | –163 | – | –163 | – | – | – | – | +26 | +1,421 | +1,284 |
| 1979 | 1 | – | – | – | – | – | – | – | – | +76 | –955 | –879 |
| | 2 | – | –522 | – | –522 | – | – | – | – | –168 | –68 | –758 |
| | 3 | – | –36 | – | –36 | – | – | – | – | –109 | –152 | –297 |
| | 4 | – | –38 | – | –38 | – | – | – | – | –49 | +116 | +29 |
| 1980 | 1 | – | –36 | – | –36 | – | – | – | – | –196 | –457 | –689 |
| | 2 | – | –35 | – | –35 | – | – | – | – | –71 | –140 | –246 |
| | 3 | – | –35 | – | –35 | – | – | – | –480 | +13 | +223 | –279 |
| | 4 | – | –34 | – | –34 | – | – | – | –149 | –58 | +83 | –158 |
| 1981 | 1 | – | –33 | – | –33 | – | – | – | – | +33 | –319 | –319 |
| | 2 | – | –35 | – | –35 | – | – | – | –942 | –306 | +1,448 | +165 |
| | 3 | – | –38 | – | –38 | – | – | – | –292 | –128 | +1,167 | +709 |
| | 4 | – | –39 | – | –39 | – | – | – | – | +48 | +123 | +132 |
| 1982 | 1 | – | –38 | – | –38 | – | – | – | – | +58 | +11 | +31 |
| | 2 | – | –60 | – | –60 | – | – | – | – | +22 | +699 | +661 |
| | 3 | – | –32 | – | –32 | – | – | – | – | +73 | –288 | –247 |
| | 4 | – | –33 | – | –33 | – | – | – | – | –127 | +999 | +839 |

1. From 23 August 1971, valued in sterling at market related rates of exchange.
2. Components and the total are rounded independently. From July 1972, excludes transactions which affect the UK reserve position in the IMF. UK drawings on the oil facility are included.
3. Net borrowing from other monetary authorities in the form of foreign currency deposits and assistance with a sterling counterpart, and other special swaps.
4. Drawings (–) and repurchases (+) in sterling by other countries.
5. Drawings on (+) and repayments of (–) two euro-dollar facilities for HM Government to borrow $2,500 million and $1,500 million, and $350 million bond issue in New York.
6. Includes loans from the European Investment Bank to the Northern Ireland Central Government (£15 million in 1979 Q1 and £4 million in 1981 Q1) and to British Nuclear Fuels Ltd., (£4 million in 1979 Q1;£4 million in 1980 Q2; £40 million in 1980 Q4; £17 million in 1981 Q1 and £50 million in 1982 Q3) and subsequent repayments thereof.
7. From July 1972, includes transactions affecting the UK reserve position in the IMF.

EXTERNAL LIABILITIES AND CLAIMS OF UK MONETARY SECTOR(1) IN FOREIGN CURRENCIES

TABLE 16

£ billion

End of period

| | | Total | Country analysis: EC countries[2] | Other Western Europe | North America | Other developed countries[3] | Eastern Europe | Oil exporting countries[3] | Offshore banking centres[3] | Other developing countries | Unallocated[4] | Analysis by type of customer: Central monetary institutions | Other banks[5] | Other |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **UK liabilities[6]** | | | | | | | | | | | | | | |
| 1976 | | 87.3 | 20.5 | 15.9 | 9.3 | 2.5 | 1.1 | 16.6 | 12.0 | 7.4 | 1.9 | 75.3 | | 12.0 |
| 1977 | | 89.3 | 20.7 | 17.2 | 10.8 | 1.4 | 0.9 | 16.6 | 11.1 | 8.6 | 2.1 | 76.6 | | 12.7 |
| 1978 | | 104.6 | 23.6 | 20.3 | 15.0 | 2.4 | 1.2 | 15.0 | 14.0 | 10.7 | 2.5 | 20.5 | 67.9 | 16.1 |
| 1979 | | 127.1 | 26.5 | 22.6 | 20.0 | 3.8 | 2.0 | 20.8 | 15.6 | 11.8 | 4.0 | 28.0 | 76.7 | 22.5 |
| 1980 | | 145.3 | 29.7 | 24.7 | 20.8 | 7.3 | 1.7 | 25.0 | 20.4 | 10.8 | 4.9 | 24.9 | 92.5 | 27.9 |
| 1981 | 1 | 162.9 | 33.8 | 24.7 | 24.5 | 9.8 | 1.1 | 28.7 | 23.0 | 11.4 | 5.9 | 26.5 | 103.6 | 32.9 |
| | 2 | 189.3 | 37.2 | 29.7 | 30.9 | 10.0 | 1.1 | 32.7 | 26.8 | 13.0 | 7.9 | 28.7 | 121.9 | 38.7 |
| | 3 | 214.5 | 40.2 | 32.7 | 39.4 | 12.8 | 1.4 | 36.9 | 30.0 | 13.5 | 7.5 | 29.9 | 137.4 | 47.1 |
| | 4 | 220.0 | 40.9 | 34.6 | 41.1 | 11.6 | 1.6 | 34.8 | 30.4 | 13.9 | 11.1 | 28.5 | 142.7 | 48.8 |
| 1982 | 1 | 241.8 | 44.0 | 38.0 | 50.6 | 13.4 | 1.8 | 36.3 | 30.8 | 14.6 | 12.4 | 29.2 | 160.0 | 52.7 |
| | 2 | 244.8 | 41.7 | 38.3 | 59.8 | 9.6 | 1.8 | 33.8 | 31.7 | 14.9 | 13.2 | 28.2 | 164.6 | 52.0 |
| | 3 | 267.1 | 43.0 | 40.1 | 69.5 | 12.2 | 1.9 | 35.3 | 36.9 | 14.6 | 13.5 | 30.3 | 180.9 | 55.9 |
| | 4 | 279.2 | 47.0 | 41.0 | 72.7 | 11.8 | 2.6 | 34.9 | 39.0 | 15.7 | 14.6 | 26.9 | 191.7 | 60.5 |
| **UK claims[6]** | | | | | | | | | | | | | | |
| 1976 | | 81.1 | 21.3 | 9.0 | 6.0 | 12.1 | 4.7 | 3.2 | 17.0 | 7.8 | – | 60.0 | | 21.0 |
| 1977 | | 83.0 | 24.4 | 10.1 | 6.9 | 8.4 | 4.6 | 4.8 | 15.5 | 8.1 | 0.1 | 60.9 | | 22.1 |
| 1978 | | 99.4 | 30.9 | 11.7 | 7.3 | 8.7 | 5.3 | 7.0 | 18.2 | 10.0 | 0.2 | 3.6 | 69.7 | 26.1 |
| 1979 | | 121.4 | 34.3 | 14.0 | 13.0 | 10.6 | 5.9 | 8.1 | 22.2 | 12.9 | 0.4 | 1.7 | 90.1 | 29.5 |
| 1980 | | 139.5 | 38.5 | 17.4 | 12.5 | 16.2 | 6.0 | 8.5 | 23.5 | 16.4 | 0.6 | 1.5 | 103.0 | 35.0 |
| 1981 | 1 | 157.2 | 45.4 | 17.3 | 15.5 | 18.3 | 6.2 | 8.4 | 26.7 | 18.8 | 0.5 | 1.9 | 116.2 | 39.0 |
| | 2 | 184.3 | 51.6 | 20.4 | 18.8 | 19.9 | 7.1 | 10.2 | 33.0 | 22.7 | 0.7 | 1.7 | 135.9 | 46.7 |
| | 3 | 209.5 | 57.6 | 22.8 | 22.7 | 24.3 | 7.6 | 11.8 | 36.7 | 25.4 | 0.7 | 2.6 | 149.1 | 57.8 |
| | 4 | 213.7 | 59.3 | 23.3 | 23.8 | 23.8 | 7.4 | 11.8 | 35.3 | 25.6 | 3.3 | 2.1 | 151.8 | 59.8 |
| 1982 | 1 | 233.4 | 65.2 | 24.8 | 28.7 | 27.2 | 7.5 | 12.6 | 36.7 | 27.6 | 3.2 | 2.3 | 167.1 | 63.9 |
| | 2 | 235.7 | 65.9 | 26.0 | 33.6 | 23.1 | 7.6 | 13.2 | 35.3 | 27.5 | 3.5 | 3.2 | 166.3 | 66.2 |
| | 3 | 256.3 | 70.1 | 26.6 | 39.7 | 25.8 | 7.5 | 14.8 | 39.5 | 27.7 | 4.6 | 2.3 | 183.7 | 70.4 |
| | 4 | 267.1 | 75.5 | 28.2 | 40.3 | 26.8 | 7.5 | 14.1 | 40.2 | 29.1 | 5.5 | 2.5 | 188.4 | 76.3 |
| **Net liabilities[6,7]** | | | | | | | | | | | | | | |
| 1976 | | 6.2 | -0.8 | 6.9 | 3.3 | -9.6 | -3.5 | 13.5 | -5.0 | -0.4 | 1.9 | 15.2 | | -9.0 |
| 1977 | | 6.3 | -3.7 | 7.1 | 3.8 | -7.0 | -3.7 | 11.8 | -4.5 | 0.5 | 2.0 | 15.7 | | -9.4 |
| 1978 | | 5.2 | -7.4 | 8.5 | 7.6 | -6.3 | -4.1 | 7.9 | -4.1 | 0.7 | 2.3 | 17.0 | -1.7 | -10.0 |
| 1979 | | 5.8 | -7.8 | 8.6 | 6.9 | -6.8 | -3.9 | 12.7 | -6.6 | -1.1 | 3.6 | 26.2 | -13.5 | -7.0 |
| 1980 | | 5.8 | -8.8 | 7.3 | 8.3 | -8.9 | -4.3 | 16.5 | -8.1 | -5.6 | 4.4 | 23.4 | -10.5 | -7.0 |
| 1981 | 1 | 5.8 | -11.6 | 7.3 | 9.1 | -8.6 | -5.1 | 20.2 | -3.6 | -7.4 | 5.4 | 24.6 | -12.7 | -6.1 |
| | 2 | 4.9 | -14.4 | 9.3 | 12.1 | -9.9 | -5.9 | 22.5 | -6.2 | -9.6 | 7.2 | 27.0 | -14.0 | -8.1 |
| | 3 | 4.9 | -17.3 | 9.9 | 16.6 | -11.5 | -6.2 | 25.2 | -6.7 | -11.9 | 6.8 | 27.3 | -11.7 | -10.7 |
| | 4 | 6.4 | -18.5 | 11.4 | 17.3 | -12.2 | -5.9 | 23.0 | -4.9 | -11.7 | 7.8 | 26.4 | -9.1 | -10.9 |
| 1982 | 1 | 8.4 | -21.3 | 13.2 | 21.9 | -13.7 | -5.7 | 23.7 | -5.9 | -13.1 | 9.2 | 26.8 | -7.2 | -11.3 |
| | 2 | 9.1 | -24.2 | 12.3 | 26.2 | -13.5 | -5.8 | 20.6 | -3.6 | -12.6 | 9.7 | 25.0 | -1.6 | -14.2 |
| | 3 | 10.8 | -27.0 | 13.5 | 29.8 | -13.7 | -5.6 | 20.5 | -2.5 | -13.0 | 8.8 | 28.1 | -2.8 | -14.5 |
| | 4 | 12.0 | -28.5 | 12.8 | 32.4 | -15.0 | -4.9 | 20.8 | -1.3 | -13.4 | 9.1 | 24.4 | 3.3 | -15.7 |

1. Including liabilities and claims of certain other financial institutions; from 1982 onwards, the transactions of these other financial institutions are not included as UK banks' transactions in Table 8. Amounts outstanding include revaluations in sterling terms, liabilities incurred by UK banks in respect of borrowing by public bodies under the exchange cover scheme and HM Government drawings on two euro-dollar facilities, and UK banks' claims in respect of export credit in foreign currencies; thus they are not fully comparable with the transactions shown in Table 8.
2. Greece is included as an EC country from the beginning of 1981.
3. 'Oil-exporting countries' and 'offshore banking centres' are defined in Table 17. 'Other developed countries' here comprises only Australia, Japan, New Zealand and South Africa.
4. Including international organisations and unallocated items. From end-1981 onwards the reporting population for total liabilities and claims is larger than before, but the reporting population for the area detail is smaller than before, with a consequent rise in unallocated liabilities and claims. On the old basis total liabilities at end-1981 were £216.8 billion, and total claims £210.0 billion.
5. Including unallocated items – see footnote 4.
6. The figures for 1979 are not consistent with those for earlier periods because of coverage differences. A comparable figure for total net liabilities at the end of 1978 would be about £300 million higher than that shown.
7. Minus sign indicates that claims exceed liabilities.

EXTERNAL LIABILITIES AND CLAIMS IN STERLING: GEOGRAPHICAL ANALYSIS

TABLE 17

£ million

End of period

| | EC countries[1] | Other developed countries[2] | Eastern Europe | Off-shore banking centres[3] | Oil exporting countries[4] | Other developing countries | International organisations | Unallocated[5] | Total | of which: Overseas banks[5,6] |
|---|---|---|---|---|---|---|---|---|---|---|
| **Exchange reserves held by overseas monetary authorities[7]** | | | | | | | | | | |
| 1976 | 186 | | 252 | | 1,420 | 328 | 445 | 16 | 2,647 | |
| 1977 | 174 | | 234 | | 1,360 | 334 | 720 | 30 | 2,852 | |
| 1978 | 171 | | 213 | | 1,006 | 325 | 898 | 20 | 2,633 | |
| 1979 | 153 | | 307 | | 1,205 | 506 | 1,102 | 47 | 3,320 | |
| 1980 | 158 | | 508 | | 2,238 | 588 | 1,108 | 69 | 4,669 | |
| 1981 1 | 172 | | 412 | | 2,465 | 509 | 1,120 | 83 | 4,761 | |
| 2 | 189 | | 380 | | 2,602 | 595 | 1,101 | 67 | 4,934 | |
| 3 | 228 | | 433 | | 2,615 | 543 | 1,209 | 50 | 5,078 | |
| 4 | 216 | | 351 | | 2,471 | 481 | 1,143 | 93 | 4,755 | |
| 1982 1 | 240 | | 280 | | 2,421 | 603 | 1,393 | 163 | 5,100 | |
| 2 | 187 | | 345 | | 2,335 | 477 | 1,402 | 142 | 4,888 | |
| 3 | 200 | | 588 | | 2,295 | 462 | 1,388 | 205 | 5,138 | |
| 4 | 214 | | 608 | | 2,655 | 459 | 1,456 | 191 | 5,583 | |
| **Banking and money market liabilities to holders other than OMA's** | | | | | | | | | | |
| 1976 | 898 | 935 | 59 | 230 | 498 | 852 | | 12 | 3,484 | 1,128 |
| 1977 | 1,310 | 1,252 | 59 | 411 | 747 | 1,180 | | 6 | 4,965 | 1,877 |
| 1978 | 1,265 | 1,335 | 68 | 351 | 984 | 1,246 | | 9 | 5,258 | 1,696 |
| 1979 | 1,781 | 2,076 | 93 | 708 | 1,588 | 1,583 | | 9 | 7,838 | 2,740 |
| 1980 | 2,425 | 2,708 | 114 | 1,081 | 1,998 | 1,957 | | 26 | 10,309 | 4,176 |
| 1981 1 | 2,767 | 2,609 | 79 | 1,094 | 2,046 | 2,005 | | 10 | 10,610 | 4,332 |
| 2 | 2,964 | 2,914 | 79 | 1,293 | 2,175 | 2,076 | | 11 | 11,512 | 4,955 |
| 3 | 3,160 | 3,265 | 148 | 1,491 | 2,214 | 2,233 | | 16 | 12,527 | 5,384 |
| 4 | 3,453 | 3,369 | 116 | 1,506 | 2,281 | 2,269 | | 467 | 13,461 | 6,036 |
| 1982 1 | 3,621 | 3,723 | 88 | 1,705 | 2,492 | 2,542 | | 418 | 14,589 | 6,405 |
| 2 | 4,003 | 4,001 | 113 | 1,904 | 2,824 | 2,754 | | 491 | 16,090 | 7,362 |
| 3 | 4,120 | 4,550 | 102 | 2,054 | 2,896 | 2,844 | | 565 | 17,131 | 7,824 |
| 4 | 4,401 | 4,554 | 141 | 2,147 | 2,977 | 2,825 | | 614 | 17,659 | 8,554 |
| **Claims of UK banks[8]** | | | | | | | | | | |
| 1976 | 719 | 2,024 | 471 | 343 | 860 | 1,448 | 5 | 8 | 5,878 | 607 |
| 1977 | 1,052 | 1,811 | 560 | 329 | 1,083 | 1,558 | – | 9 | 6,402 | 678 |
| 1978 | 1,281 | 1,958 | 689 | 422 | 1,216 | 1,692 | – | 14 | 7,272 | 740 |
| 1979 | 992 | 1,856 | 752 | 480 | 1,097 | 1,760 | 1 | 22 | 6,960 | 710 |
| 1980 | 2,454 | 2,443 | 840 | 824 | 1,111 | 1,748 | 33 | 27 | 9,480 | 2,828 |
| 1981 1 | 2,977 | 2,765 | 865 | 1,148 | 805 | 1,756 | 35 | 25 | 10,376 | 3,642 |
| 2 | 2,962 | 2,930 | 907 | 1,250 | 820 | 1,773 | 37 | 16 | 10,695 | 3,711 |
| 3 | 3,046 | 3,286 | 938 | 1,392 | 881 | 1,951 | 45 | 19 | 11,558 | 4,091 |
| 4 | 3,232 | 3,481 | 949 | 1,135 | 912 | 2,184 | 120 | 365 | 12,378 | 4,164 |
| 1982 1 | 3,577 | 3,829 | 1,022 | 1,194 | 891 | 2,348 | 126 | 539 | 13,526 | 4,273 |
| 2 | 3,103 | 3,944 | 986 | 1,261 | 916 | 2,390 | 149 | 610 | 13,359 | 3,819 |
| 3 | 3,791 | 4,213 | 980 | 1,339 | 1,008 | 2,442 | 229 | 821 | 14,823 | 4,174 |
| 4 | 3,880 | 4,779 | 1,002 | 1,386 | 1,127 | 2,551 | 236 | 938 | 15,899 | 4,522 |

1. Greece is included as an EC country from the beginning of 1981.
2. Western Europe other than EC countries; North America; Australia; Japan; New Zealand and South Africa.
3. Bahamas, Barbados, Berumuda, British Virgin Islands, Cayman Islands, Hong Kong, Lebanon, Liberia, Netherlands Antilles, Panama, Singapore, Vanuatu, and certain other West Indies.
4. Algeria, Bahrain, Brunei, Equador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudia Arabia, Trinidad and Tobago, United Arab Emirates and Venezuela.
5. From end-1981 onwards the reporting population for total liabilities and claims is larger than before but the reporting population for the area detail is smaller than before, with a consequent rise in unallocated liabilities and claims. For exchange reserves the effect of these changes in coverage is minimal. On the old basis total banking and money market liabilities to other holders at end-1981 were £12,916 million; total claims of UK banks were £12,023 million.
6. In the liabilities section this comprises deposits placed with banks in the UK by banks abroad on their own account also deposits from banks' trustee accounts, which may originate from non-banks: certificates of deposit are excluded. In the claims section this comprises only claims on banks' (other than OMA's) abroad in respect of loans, advances and balances; bills and acceptances are excluded.
7. Sterling reserves of overseas countries and international organisations (other than the IMF) as reported by UK banks etc.
8. Loans, advances and balances, and bills and acceptances, many of which represent export credit including those which have been refinanced (see Table 12).

EXTERNAL STERLING LIABILITIES: ANALYSIS BY COMPONENT

TABLE 18

£ million

End of period

| | | Exchange reserves in sterling held by central monetary institutions[1] | | | | | | | Banking and money market liabilities to holders other than CMI's | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Banking and money market liabilities | | | | | | | | |
| | | | External deposits with: | | | | | | | | |
| | | British government stocks[2] | Banks and other institutions[3] | Local authorities | Treasury bills | Total | Non-interest bearing notes | Total exchange reserves | External deposits with banks and other institutions[3,4] | Treasury bills | Total[5] |
| 1976 | | 1,101 | 720 | 159 | 448 | 1,327 | 219 | 2,647 | 3,470 | 14 | 3,484 |
| 1977 | | 1,322 | 852 | 29 | 334 | 1,215 | 315 | 2,852 | 4,945 | 20 | 4,965 |
| 1978 | | 1,103 | 601 | 44 | 431 | 1,076 | 454 | 2,633 | 5,253 | 5 | 5,258 |
| 1979 | | 1,281 | 871 | 17 | 512 | 1,400 | 639 | 3,320 | 7,771 | 67 | 7,838 |
| 1980 | | 2,348 | 1,272 | 22 | 436 | 1,730 | 591 | 4,669 | 10,292 | 17 | 10,309 |
| 1981 | 1 | 2,253 | 1,315 | 37 | 477 | 1,829 | 679 | 4,761 | 10,595 | 15 | 10,610 |
| | 2 | 2,405 | 1,360 | 34 | 527 | 1,921 | 608 | 4,934 | 11,498 | 14 | 11,512 |
| | 3 | 2,500 | 1,384 | 23 | 521 | 1,928 | 650 | 5,078 | 12,512 | 15 | 12,527 |
| | 4 | 2,555 | 1,159 | 42 | 326 | 1,527 | 673 | 4,755 | 13,442 | 19 | 13,461 |
| 1982 | 1 | 2,388 | 1,503 | 30 | 363 | 1,896 | 816 | 5,100 | 14,559 | 30 | 14,589 |
| | 2 | 2,470 | 1,303 | 32 | 331 | 1,666 | 752 | 4,888 | 16,060 | 30 | 16,090 |
| | 3 | 2,242 | 1,544 | 28 | 582 | 2,154 | 742 | 5,138 | 17,079 | 52 | 17,131 |
| | 4 | 2,943 | 1,481 | 26 | 424 | 1,931 | 709 | 5,583 | 17,606 | 53 | 17,659 |

1. Sterling reserves of overseas countries and international organisations (other then the IMF) as reported by UK banks etc.
2. Government stocks held by CMIs are revalued annually at mid-November at current market prices. This altered the fourth quarter values each year as follows: 1975+83, 1976-54, 1977+215, 1978-106, 1979-69,1980+122, 1981-61 and 1982+420.
3. Includes sterling certificates of deposit.
4. Improvements in coverage in the second quarter of 1975 added some £180 million.
5. From end-1981 onwards the reporting population was increased – see footnote 5 to Table 17.

OFFICIAL FINANCING LIABILITIES AND OFFICIAL RESERVES [1,2,3]

TABLE 19

£ million

End of period

| | | Other foreign currency borrowing | | | Official reserves | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | £ million | $ million | | | | |
| | | IMF[4] | By HM government | By public sector under exchange cover scheme | Total official financing liabilities | Total | Total | Gold | IMF special drawing rights | Convertible currencies[5] | Reserve position in the IMF |
| 1976 | | 1,205 | 1,469 | 5,646 | 8,320 | 2,426 | 4,129 | 888 | 728 | 2,513 | – |
| 1977 | | 2,100 | 2,085 | 5,219 | 9,404 | 10,715 | 20,557 | 938 | 604 | 19,015 | – |
| 1978 | | 1,055 | 2,131 | 4,579 | 7,765 | 7,689 | 15,694 | 964 | 500 | 14,230 | – |
| 1979 | | 471 | 1,955 | 4,129 | 6,555 | 10,129 | 22,538 | 3,259 | 1,245 | 18,034 | – |
| 1980 | | 294 | 1,191 | 3,525 | 5,010 | 11,487 | 27,476 | 6,987 | 560 | 18,621 | 1,308 |
| 1981 | 1 | 273 | 1,271 | 3,761 | 5,305 | 12,583 | 28,212 | 7,277 | 1,110 | 18,546 | 1,279 |
| | 2 | 276 | 464 | 4,022 | 4,762 | 13,223 | 25,631 | 7,279 | 1,030 | 15,975 | 1,347 |
| | 3 | 254 | 193 | 4,170 | 4,617 | 13,088 | 23,696 | 7,309 | 1,045 | 13,848 | 1,494 |
| | 4 | 200 | 183 | 3,998 | 4,381 | 12,217 | 23,347 | 7,334 | 1,043 | 13,457 | 1,513 |
| 1982 | 1 | 156 | 196 | 4,207 | 4,559 | 10,637 | 18,969 | 4,546 | 1,042 | 11,949 | 1,432 |
| | 2 | 99 | 201 | 4,327 | 4,627 | 10,157 | 17,703 | 4,571 | 902 | 10,741 | 1,489 |
| | 3 | 68 | 206 | 4,527 | 4,801 | 10,798 | 18,299 | 4,561 | 979 | 11,256 | 1,503 |
| | 4 | 36 | 216 | 4,613 | 4,865 | 10,508 | 16,997 | 4,562 | 1,233 | 9,634 | 1,568 |

1. Until end-March 1979 convertible currencies are valued in dollars at middle or central rates; Special Drawing Rights are valued at SDR1=$1.20635; gold is valued at $42.2222 per fine ounce.
2. From end-March 1979 the rates at which the reserves are valued in dollars are revised annually. Convertible currencies and SDRs are valued at the average of the middle market closing rates in the three months to end-March, or (from end-March 1980) at their actual dollar value on the last working day of March, whichever is the lower. Gold is valued at the average of the London fixing prices for the three months up to end-March less a 25 per cent discount or (from end-March 1980) at 75 per cent of its final fixing price on the last working day of March, whichever is lower. Before revaluation at end-March 1982, the level of official reserves was £13,002 million and the level of official financing liabilities was £4,714 million. Levels prior to revaluation at end-March of earlier years are given in earlier editions of 'Economic Trends'.
3. Data denominated or expressed in dollars are converted to sterling at end-period middle market rates.
4. Drawings from the IMF, excluding interest and charges and net of repayments to and drawings from the IMF by other countries in sterling. Excludes transactions which effect the UK reserve position in the Fund.
5. From July 1979 reserve holdings include European Currency Units acquired from swaps with the European Monetary Co-operation Fund. As shown above, these are included within convertible currencies and are valued at the average of the $/ECU or $/European Unit of Account exchange rates in the 3 months to end-March or at their actual dollar value on the last working day of March, whichever is lower.

# Introduction of the revised standard industrial classification 1980

Central Statistical Office

By the autumn of 1983 it is intended that all major government industrial statistics will use as their framework the new Standard Industrial Classification (Revised 1980), which is replacing the 1968 edition. The new classification – known as SIC(80) – has already been used to assemble the results of the 1979 and 1980 Annual Censuses of Production, and the results of quarterly sales inquiries to industry will be presented in this form with effect from the beginning of 1983. The annual and quarterly national accounts and monthly index of production will use SIC(80) from September 1983, when the first series are made available rebased on 1980. Other articles in this issue of *Economic Trends* describe the changes being made to these sets of statistics. Changes affecting series on employment, earnings and associated statistics are described in an article in the March 1983 issue of *Employment Gazette*. This note summarises the differences between SIC(80) and earlier systems, and relates it to international industrial classifications.

**Background**

A Standard Industrial Classification was first introduced in this country in 1948 for use in classifying business establishments and other statistical units by the type of economic activity in which they are engaged. The classification provides a framework for the collection, tabulation, presentation and analysis of data about economic activities. Its use promotes uniformity and comparability in the presentation of data collected by various government departments and agencies. Since 1948, the classification has been revised regularly (in 1958 and 1968) because, over a period of time, new industrial processes and products emerge and shifts of emphasis occur in existing industries. For example, under the 1948 version of the SIC, industries making computer and other electronic equipment would have had to be classified to office machinery, part of *non-electrical* engineering, or a residual category which included cookers, vacuum cleaners and traffic lights.

Broadly, the United Kingdom classification has followed the same general principles as the United Nations' International Standard Industrial Classification of All Economic Activities (ISIC). There have been differences in detail because the ISIC provides a generalised framework for economic structures across the world rather than for that of a particular country.

In the 1980 revision of the SIC, every effort was made to develop a classification which followed as closely as possible the European Communities standard, the "Nomenclature générale des activités économiques dans les Communautés européennes" (NACE), produced by the Statistical Office of the European Communities. The revised classification will enable data assembled in the United Kingdom to be compared more easily with that of other EC countries and will aid preparation of the statistical returns required of member states.

As with previous revisions, the present classification was prepared by an inter-departmental committee representing the main government departments collecting and using economic statistics. Consultations also took place with a number of trade associations and other organisations, whose assistance is gratefully acknowledged. A description of the classification appeared in the November 1979 issue of *Statistical News*.

**Structure of the new classification**

The revised classification has a decimal structure. Whereas SIC(68) had 27 Orders, each divided into a number of Minimum List Headings (MLH), the revised classification has ten Divisions (denoted by a single digit) each in turn divided into Classes (two digits), Groups (three digits) and Activity Headings (four digits). There are 10 Divisions, 60 Classes, 222 Groups and 334 Activity Headings. Detailed statistics will generally be presented at Activity Heading level and above. The table below gives a broad comparison between the Divisions of the present classification and the former Orders.

| Present divisions | Former orders |
|---|---|
| 0 Agriculture, forestry and fishing | I |
| 1 Energy and water supply industries | II (MLH 101 and 104), IV, XXI |
| 2 Extraction of minerals and ores other than fuels; manufacture of metals, mineral products and chemicals | II (MLH 102, 103, 109), V, VI, XVI |
| 3 Metal goods, engineering and vehicles industries | VII to XII inclusive |
| 4 Other manufacturing industries | III, XIII to XV, XVII-XIX |
| 5 Construction | XX |
| 6 Distribution, hotels and catering; repairs | XXIII, XXVI, (MLH 884-888, 894, 895) |
| 7 Transport and communication | XXII |
| 8 Banking, finance, insurance, business services and leasing | XXIV, XXV (MLH 871, 873) |
| 9 Other services | XXV (remainder), XXVI (remainder), XXVII |

For the purposes of presenting aggregate information the term "manufacturing industries", previously covering Orders II to XIX of SIC(68), will now be applied to Divisions 2 to 4 of the new classification. The term "production industries" will be applied to Divisions 1 to 4. Until users are familiar with these new definitions, it will be GSS practice to attach the warning tag "revised definition". Furthermore, a number of statistical series will be made available on both the former and the new definitions of manufacturing.

In the new structure, the energy producing industries have been grouped, together with water supply, in a self-contained Division. Other features are that, apart from agriculture, forestry and fishing, the various raw material producing industries are included within the same Divisions as the corresponding processing industries; the slaughtering of animals is now included with food manufacturing; the production of man-made fibres is a separate class

adjacent to the chemical industry rather than part of the textiles industry; and photographic and cinematographic processing laboratories are now classified as a manufacturing industry.

Outside the production industries, SIC(80) draws a distinction, where possible, between principals and agents. Thus, in the case of the distributive trades, dealers buying or selling on behalf of others are classified separately from the wholesalers who actually take ownership of the goods in which they deal. Similarly, in the financial field, a distinction is made between insurance companies, which actually carry the risks, and insurance brokers or agents. These distinctions should prove valuable in providing more homogeneous data for the headings concerned, particularly for capital formation and for financial statistics.

In addition to this change, hotels, catering and the repair of footwear and motor vehicles have been classified alongside the distributive trades in Division 6; and the renting of movables, ie hiring out of machinery, transport equipment, etc, has been allocated its own class within Division 8.

**Numbering system**

The first three digits in the classification follow the NACE numbering as far as is practicable. Where the SIC departs from NACE, the Groups or Activity Headings have been allocated numbers unused in NACE to avoid confusion. The use of O as the final digit for a Class, Group or Activity Heading normally indicates that the classification is not subdivided at that level. Thus, Group 140 is the only Group in Class 14 (mineral oil processing) but is itself divided into two Activity Headings 1401 and 1402. Division 9 includes a Class 00 to cover diplomatic representation, international organisations and allied armed forces. Differences between the revised SIC and NACE occur where the structure of United Kingdom industry differs from that implied by NACE.

**Further information about the SIC**

A summary booklet *Standard Industrial Classification, Revised 1980* was published by HMSO in 1979. In addition, in 1981, HMSO also published a detailed guide which included lists of characteristic products for each heading in the classification and a full alphabetical index: *Indexes to the Standard Industrial Classification, Revised 1980*. The Central Statistical Office also has available a reconciliation between the revised SIC and the 1968 edition and NACE. Those interested should contact the Classifications and Survey Control Unit, Branch 7, CSO (Telephone 01-233 8583). To show the general outline of the new SIC, the Annex to this note lists the two-digit (Class) headings.

**References**

*Statistical News*, No. 47, November 1979 (HMSO)

*Standard Industrial Classification Revised 1980* (HMSO, 1979) (Price £2.50 net)

*Indexes to the Standard Industrial Classification Revised 1980* (HMSO, 1981) (Price £12.95 net)

'Standard Industrial Classification, Revised 1980'.

*Employment Gazette* Vol. 91 number 3, March 1983 (HMSO) (Price £2.35 net)

# ANNEX

**STANDARD INDUSTRIAL CLASSIFICATION REVISED 1980 LIST OF CLASSES**

**DIVISION 0 - AGRICULTURE, FORESTRY AND FISHING**

01. Agriculture and Horticulture
02. Forestry
03. Fishing

**DIVISION 1 - ENERGY AND WATER SUPPLY INDUSTRIES**

11. Coal Extraction and Manufacture of Solid Fuels
12. Coke Ovens
13. Extraction of Mineral Oil and Natural Gas
14. Mineral Oil Processing
15. Nuclear Fuel Production
16. Production and Distribution of Electricity, Gas and Other Forms of Energy
17. Water Supply Industry

**DIVISION 2 - EXTRACTION OF MINERALS AND ORES OTHER THAN FUELS; MANUFACTURE OF METALS, MINERAL PRODUCTS AND CHEMICALS**

21. Extraction and Preparation of Metalliferous Ores
22. Metal Manufacturing
23. Extraction of Minerals Not Elsewhere Specified
24. Manufacture of Non-Metallic Mineral Products
25. Chemical Industry
26. Production of Man-made Fibres

**DIVISION 3 - METAL GOODS, ENGINEERING AND VEHICLES INDUSTRIES**

31. Manufacture of Metal Goods Not Elsewhere Specified
32. Mechanical Engineering
33. Manufacture of Office Machinery and Data Processing Equipment
34. Electrical and Electronic Engineering
35. Manufacture of Motor Vehicles and Parts Thereof
36. Manufacture of Other Transport Equipment
37. Instrument Engineering

**DIVISION 4 - OTHER MANUFACTURING INDUSTRIES**

41/ Food, Drink, and Tobacco Manufacturing Industries
42.
43. Textile Industry
44. Manufacture of Leather and Leather Goods
45. Footwear and Clothing Industries
46. Timber and Wooden Furniture Industries
47. Manufacture of Paper and Paper Products; Printing and Publishing
48. Processing of Rubber and Plastics
49. Other Manufacturing Industries

**DIVISION 5 - CONSTRUCTION**

50. Construction

**DIVISION 6 - DISTRIBUTION, HOTELS AND CATERING; REPAIRS**

61. Wholesale Distribution (except Dealing in Scrap and Waste Materials)
62. Dealing in Scrap and Waste Materials
63. Commission Agents
64/ Retail Distribution
65.
66. Hotels and Catering
67. Repair of Consumer Goods and Vehicles

**DIVISION 7 - TRANSPORT AND COMMUNICATION**

71. Railways
72. Other Inland Transport
74. Sea Transport
75. Air Transport
76. Supporting Services to Transport
77. Miscellaneous Transport Services and Storage Not Elsewhere Specified
79. Postal Services and Telecommunications

**DIVISION 8 - BANKING, FINANCE, INSURANCE, BUSINESS SERVICES AND LEASING**

81. Banking and Finance
82. Insurance, Except for Compulsory Social Security
83. Business Services
84. Renting of Movables
85. Owning and Dealing in Real Estate

**DIVISION 9 - OTHER SERVICES**

91. Public Administration, National Defence and Compulsory Social Security
92. Sanitary Services
93. Education
94. Research and Development
95. Medical and Other Health Services; Veterinary Services
96. Other Services Provided to the General Public
97. Recreational Services and Other Cultural Services
98. Personal Services
99. Domestic Services
00. Diplomatic Representation, International Organisations, Allied Armed Forces

# Index of industrial production — rebasing and reclassification

JOHN PERRY, Central Statistical Office

**Introduction**

A new 'index of industrial production' based on the year 1980 will be published in September 1983 when the national accounts of the United Kingdom are rebased[1]. It will replace the current index series based on 1975, introduced in 1978 and described in the May 1979 issue of *Economic Trends*.[2] There will be three significant changes: it will use a new industrial classification; the new index numbers will measure output more closely than the present index which uses a mix of sales and production indicators; and the monthly index (though not the quarterly) will exclude the construction industry for which there are no monthly data.

**Classification**

The UK monthly index of industrial production (IOIP), with 1975=100, encompasses Orders II to XXI of the 1968 Standard Industrial Classification [SIC(68)], that is Mining and quarrying, Manufacturing, Construction, and Gas, electricity and water. Rebasing to 1980=100, that is using weights which reflect the relative contributions of each industry to gross domestic product in that year, will be accompanied by the introduction of the 1980 Standard Industrial Classification [SIC(80)] described elsewhere in this issue. Under SIC(80), an index with coverage equivalent to the present index of industrial production (that is, Divisions 1 to 5), designated 'index of production and construction', will be available quarterly (see below). The industries classified to 'production' (Divisions 1 to 4) comprise energy and water supply and manufacturing (which now includes some quarrying activity - see below). The revised monthly 'index of production' will cover only these industries and will thus omit construction.

Divisions 2–4 of SIC(80) will be known as 'manufacturing (revised definition)'. The major differences in industrial coverage of the manufacturing category are that mineral oil refining and nuclear fuel production move to the new energy industries category but, on the other hand, Divisions 2–4 include some quarrying activity (mainly for building materials). Mineral oil and nuclear fuel had a weight of 10 parts per 1000 and quarrying 7 parts per 1000 in the all industries index of production in 1975. Lesser changes are that Divisions 2–4 include the activities of slaughterhouses and photographic and cinematographic processing laboratories which hitherto have been in the services sector. The only other change is that open-cast coal working, which in the 1975 based index is part of the construction industry, becomes part of the energy sector alongside deep coal mines. These changes make a minimal impact on the major aggregates, index numbers based on 1975=100 for Divisions 2–4 being little different from those for manufacturing under SIC(68), Divisions 1–4 being almost the same as the current series for all industries other than construction and those for Divisions 1–5 being equivalent to the existing all industries' index. Manufacturing using the old definition will appear where necessary in footnotes to tables.

[1] "Rebasing and reclassifying the national accounts: the reasons and the likely effects", M. Lockyer, appears elsewhere in this issue.

[2] A full description of the index of production is provided in 'The Measurement of changes in Production' *Studies in Official Statistics* 25 (HMSO) and in a series of Occasional Papers available on request from the Central Statistical Office.

**Index numbers of output**

Index numbers are currently issued in two forms:

(i) as a monthly series based upon a mixture of sales data and output data, and

(ii) as a definitive quarterly 'implied output' series, where adjustments are made (based on changes in manufacturers' holdings of finished goods and work in progress) to correct the mixed sales/production series to 'true production' index numbers.

At rebasing, the index will be improved so that the monthly index better represents the true movements in output. This involves further development of the existing correction process, now only done quarterly, which compensates for the use of sales data as proxies for output. The quarterly implied output figures are now published as a subsidiary table in the monthly Press Notice, in *Economic Trends* (Table 28) and, in more detail, in the *Monthly Digest of Statistics* (Table 7.2). These figures currently supplement the monthly series but only for twelve major industrial groupings (including some aggregates). At rebasing, implied output series will be estimated monthly replacing the existing monthly mixed series, and the number of groups published will be increased. Table 1 lists the 12 major aggregates (including construction) and 17 sub groups. They are similar to the level of detail given hitherto for the mixed series in the *Monthly Digest of Statistics* (Table 7.1). Table 2 provides a reconciliation between the proposed and existing Monthly Digest aggregates. At this level of aggregation most changes have a relatively small effect on the industrial structure. The only industry to be published for the first time is man-made fibres (Class 26).

**Coverage of the index**

The coverage of the new monthly index will be limited to the production industries (Divisions 1 to 4) and will thus exclude the construction industry, for which data are available only quarterly. Until users are familiar with the revised coverage, this index covering output of the production industries alone will be called the 'index of output of production industries (revised definition)'.

An 'index of production and construction' will be produced quarterly but only after definitive construction output estimates have been made available by the Department of the Environment.

Usually other countries omit construction from monthly index numbers of production. To aid international comparisons, the CSO already provides monthly aggregate index numbers representing the output of all industries other than construction. The exclusion of the construction industry from the new monthly index will circumvent two problems in the present monthly index:

(i) estimates of the output of the construction industry are compiled by the Department of the Environment from quarterly data some ten weeks or so after the quarter to which they relate. The replacement of forecast values used in the monthly index prior to the receipt of these definitive estimates has been a major cause of revisions to the IOIP; and

(ii) because the data are available only quarterly, the monthly path of the IOIP is at times distorted by the quarterly step function in the construction series. Monthly interpolation of the quarterly construction index has not been satisfactory.

Although the quarterly index for production and construction industries will become available one month later than at present, it will be better founded. This will not delay the preliminary estimate of output-based gross domestic product, which will continue to use a forecast value for its construction component.

**The rebased and reclassified series**

New index weights are now being calculated from the 1980 Annual Census of Production the results of which were classified to the SIC(80). At rebasing, index numbers from 1978 onwards will be revised to take into account the new weights, the change in classification and the various improvements in methodology. As usual at rebasing, a number of more detailed improvements to techniques are being considered for individual industries, for example within the engineering sector. Existing estimates of growth rates for earlier periods will be linked to the new series. Estimates of changes in activity after 1978 may differ from those currently published. It is too early to give an indication of the size of the revisions to be expected but there is broad guidance in the article in this *Economic Trends* on rebasing the National Accounts.

Long-run series will be prepared on the new classification and will be published subsequently in the *Economic Trends Annual Supplement*. Where possible, index numbers will be available at Activity Heading level of the SIC(80) at least from 1978 and at Class level from 1973. For the major aggregate 'production and construction' and for the energy, production, manufacturing and construction components, long-run series will be prepared from 1948. Further series will be available at a greater level of disaggregation than listed in Table 1 but these can only be prepared on a mixed sales/output basis.

The rebased reclassified index will be released in September 1983, around the time the rebased and reclassified national accounts are published in the Blue Book (*National Income and Expenditure 1983 edition*). An Occasional Paper listing component series and weights will be made available soon after rebasing is complete with a further article to be published in *Economic Trends* describing the effects of rebasing.

**References**

'The Measurement of changes in Production' *Studies in Official Statistics No. 25* (HMSO, 1976)
*Economic Trends* (HMSO, monthly)
*Monthly Digest of Statistics* (HMSO, monthly)
*Economic Trends Annual Supplement* (HMSO)
*National Income and Expenditure, 1983 Edition* (HMSO, forthcoming)

# ANNEX

Table 1

## Industry groups for publication of the index of production and construction

(Groups which will appear in Press Notices are shown in **bold type.**)

Monthly

| | |
|---|---|
| **Divisions 1-4** | **PRODUCTION INDUSTRIES** (Revised Definition) |
| **Division 1** | **ENERGY AND WATER SUPPLY** |
| 11–12 | Coal and coke |
| 13 | Extraction of mineral oil and natural gas |
| 14 | Mineral oil processing |
| 15–17 | Other energy and water supply |
| **Divisions 2-4** | **MANUFACTURING** (Revised Definition) |
| **21-22** | **Metals** |
| **23-24** | **Other minerals and products** |
| **25-26** | **Chemicals and man-made fibres** |
| 25 | Chemicals |
| 26 | Man-made fibres |
| **31-37** | **Engineering and allied industries** |
| 31 | Metal goods |
| 32 | Mechanical engineering |
| 33–34, 37 | Electrical and instrument engineering |
| 35 | Motor vehicles and parts |
| 36 | Other transport |
| **41-42** | **Food, drink and tobacco** |
| 411–423 | Food |
| 424–429 | Drink and tobacco |
| **43-45** | **Textiles, footwear, clothing and leather** |
| 43 | Textiles |
| 44–45 | Footwear, clothing and leather |
| **46-49** | **Other manufacturing** |
| 47 | Paper, printing and publishing |
| 46, 48–49 | All other manufacturing (including timber, furniture, rubber and plastics) |

Quarterly

| | |
|---|---|
| **Divisions 1-5** | **PRODUCTION AND CONSTRUCTION** |
| **Division 5** | **CONSTRUCTION** |

## Reconciliation between currently published aggregates and proposed SIC(80) series

Table 2

| Proposed SIC(80) series | SIC(68) Aggregate | Main exceptions for IOIP purposes (Minimum List Heading) |
|---|---|---|
| 11–12 | Coal mining | *plus* Coke ovens etc (261), Open cast coal (500 pt) |
| 13 | Petroleum and natural gas | |
| 14 | Coal and petroleum products | *less* Coke ovens etc (261) |
| 15–17 | Gas, electricity and water | *plus* Nuclear fuels (271/3 pt) |
| 21–22 | Metal manufacture | *plus* Iron ore (109/1), Tin ore (109/2), Wire (394 pt), Cold formed metal sections (399/12 pt), Upholstery springs (399/4 pt)<br>*less* Foundries, casting, forging and pressing (311 pt, 313 pt, 312 pt, 322 pt, 233 pt) |
| 23–24 | Other mining and quarrying<br>Bricks, pottery, glass, cement | *plus* Peat (499/2 pt), Asbestos (429/1)<br>*less* Iron, Tin ore (109/1/2) |
| 25 | Chemicals and allied | *less* Nuclear fuels (271/3 pt), Semi manufactured plastics (276/1 pt) |
| 26 | | Man-made fibres (411) |
| 31 | Metal goods n.e.s. | *plus* Foundries, casting, forging and pressing (311 pt, 313 pt, 321 pt, 322 pt. 323 pt)<br>*less* Machine tools (390, 391 pt, 392 pt), Wire (394 pt), Lighters (399/12 pt), Clock and upholstery springs (399/4 pt), Cold formed metal sections (399/12 pt), Jewellery (396/2) |
| 32 | Mechanical engineering | *plus* Tractors (380), Marine engineering (370/2), Machine tools (390 pt, 391 pt, 392 pt)<br>*less* Office machinery (338) |
| 33–34, 37 | Instrument engineering<br>Electrical engineering | *plus* Office machinery (338), Engineers gauges (390 pt), Measuring tools (391 pt), Clock springs (399/4 pt) |
| 35 | Motor vehicles | |
| 36 | Other vehicles<br>Shipbuilding | *plus* Childrens carriages (494/2)<br>*less* Tractors (380), Marine engineering (370/2) |
| 411–423 | Food | *plus* Slaughterhouses (810/2) |
| 424–429 | Drink and tobacco | |
| 43 | Textiles | *less* Man-made fibres (411), Made-up textiles (422), Asbestos (429/1) |
| 44–45 | Leather, leather goods and fur<br>Clothing and footwear | *plus* Made-up textiles (422), Soft furnishings (473 pt) |
| 47 | Paper, printing and publishing | *less* Film products (482/2 pt) |
| 46,48–49 | Timber, furniture etc<br>Other manufacturing | *plus* Semi manufactured plastics (276 pt), Jewellery (396/2), Lighters (399/12 pt), Film products (482/2 pt), Photographic processing (889/2)<br>*less* Childrens carriages (494/2), Peat (499/2 pt), Soft furnishings (473 pt) |
| 5 | Construction | *less* Open cast coal (500 pt) |
| 2–4 | Manufacturing | *plus* Other mining and quarrying (102, 103, 109), Slaughterhouses (810/2), Photographic processing (889/2)<br>*less* Coal and petroleum products (261–3), Nuclear fuels (271/3 pt) |

# Rebasing and reclassifying the national accounts: the reasons and the likely effects

M. J. G. LOCKYER, Central Statistical Office

The national accounts of the United Kingdom will be rebased this year on the year 1980. This means that the estimates of expenditure on the gross domestic product at constant prices, which are at present expressed in terms of average 1975 prices, will be expressed in terms of average 1980 prices; and that the detailed components of the output measure of gross domestic product, which are at present weighted according to the values of net output in 1975, will be re-weighted according to the values of net output in 1980.

At the same time, two other changes will be made. First, all the analyses by industry, whether at constant prices or at current prices, will be reclassified according to the 1980 revision of the Standard Industrial Classification instead of the 1968 version. Second, the classification used for analysing consumers' expenditure will also be revised.

The rebased and reclassified annual estimates will be published in September 1983 in the Blue Book *National Income and Expenditure, 1983 edition*. Quarterly figures on the new basis will be published by press notice later in September and in the quarterly article in the October issue of *Economic Trends*.

This article explains the need for rebasing, describes what it means, and considers the likely effects on the published estimates. Finally it discusses the new classifications.

### The need for rebasing

To understand the need for rebasing it is first necessary to consider the nature of the constant price estimates. The purpose of constructing these estimates is to measure changes in the *volume* of goods and services produced or sold. Where a business produces a single type of article of unvarying specification, changes in its output can, in principle, be measured perfectly and uniquely in terms of physical units. Where more than one type of article is produced, changes between two periods in the total volume of output can only be measured by valuing the output in each period at the prices of a single period (the 'price base' or 'weighting base'), and thus comparing the values of total output at constant prices. This is equivalent to adding together the quantities of each type of article weighted by their relative prices in the base period. If price changes were proportionately the same for each article, the relative prices would be unchanged over time, and changes in the volume of output would still be measured perfectly and uniquely. But where there are different price changes for the different articles, the measurement of the change in total output depends on the choice of price base.

On a national scale total output is composed of a vast mixture of different types of goods and services. Moreover the structure of prices is constantly changing for a multitude of reasons, including changes in supply and demand, improvements in productivity, technological advances, and government economic and taxation policies. Thus changes in the volume of total output, as measured by gross domestic product (GDP) at constant prices, are affected by the price base chosen for weighting the many individual components. The same is true of changes in the volume of expenditure.

Two major requirements of the estimates of GDP at constant prices are (i) that they should enable valid comparisons to be made between any two periods; and (ii) that the weights (relative prices) underlying the measurement of changes over a period should reflect the price structure of that period as closely as possible.

The first requirement is met by adopting estimates in the form of base-weighted volume indices*, where current quantities are valued at the prices of a fixed base period and then added together. This is equivalent to summing 'quantity relatives' (ratios of current quantities to base-year quantities) weighted by base-year values.

The second could be met in principle by a chain-linked index, ideally with the series linked each year. Thus, for example, volume changes between years $n$ and $n+1$ would be weighted according to relative prices in year $n$: volume changes between years $n+1$ and $n+2$ would be weighted according to relative prices in year $n+1$; and the proportional change in volume between years $n$ and $n+2$ would be calculated as the product of the proportional changes between $n$ and $n+1$ and between $n+1$ and $n+2$.

For reasons which are explained later in this article such annual linking is not practicable. The need to keep abreast with price structures is therefore met by rebasing at intervals of about five years. Though long time series are always expressed in terms of the prices of a single year (or with a single year equal to 100, for series presented as index numbers), they are in fact composed of tranches of data on different weighting bases, linked together at or at some point between successive base years (see below).

### The nature of rebasing

It is necessary at this point to explain the nature of the estimates in more detail. In principle the expenditure measure of gross domestic product (GDP(E)) at constant prices is the result of valuing at base-year prices the volumes of the many types of goods and services purchased, and adding them together. In practice, volume changes can be measured directly through indicators of physical quantities multiplied by base year prices only where data are continually available for homogeneous categories of goods or services. In most cases the categories of goods or services for which data are available are far from homogeneous, and volume changes have to be estimated indirectly from changes in value deflated by appropriate price indices.

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* Index numbers of the form $\frac{\Sigma q_n p_o}{\Sigma q_o p_o}$ where $q$ is quantity, $p$ is price, $o$ is the fixed base period and $n$ is the period for which the index is constructed. This formula may be re-written as

$$\frac{\Sigma q_o p_o \frac{q_n}{q_o}}{\Sigma q_o p_o} = \frac{\Sigma v_o \frac{q_n}{q_o}}{\Sigma v_o}$$

where $v$ is value (so that $v = p \times q$) and $q_n/q_o$ is called a quantity relative. Thus a base-weighted volume index may also be formulated as the sum of quantity relatives weighted by base-year values.

In order to yield base-weighted volume series, values should in principle be divided by current-weighted price indices†. In practice, the individual price indices used for deflation are mostly base-weighted because the information needed to determine current weights is not available. This is a weakness of the constant price estimates, but its effect is minimised by carrying out the deflation at the finest practicable level of detail. This is because the incorrect weighting occurs only *within* the categories of expenditure to which the base-weighted deflators are applied: it can be demonstrated that the correct weighting *between* these categories is achieved by simple addition of the deflated series‡. Following an analysis of the effects of rebasing the national accounts on 1970 it was concluded that 'given that most of the calculations are carried out at a considerable degree of disaggregation, the use of base-weighted deflators is probably not in practice a serious deficiency in the method of estimation, and it is unlikely to be any more serious than other deficiencies in the data on price movements'[1]. It is possible, however, that the effect may have been greater in the post-1970 era of more rapid price changes.

In the output measure of gross domestic product (GDP(0)) the aim is to measure changes in the real net output of each industry and to weight these changes together according to the relative values of net output, or value added, in the base year. The value added by an industry is its contribution to the domestic product, that is, the value of its total output *less* the cost of any goods or services it has acquired from other industries or has imported. The value added by each industry therefore consists of the value of the factors of production used in that industry and equals the sum of the factor incomes (income from employment and profit incomes) earned in the industry after deducting stock appreciation.

Ideally, value added at constant prices should be measured by using 'double deflation' techniques: that is, by revaluing separately at constant prices both gross output and total inputs and taking the latter from the former§. The practical difficulties of correctly deflating and deriving the balance between two large estimates are very great and, except for agriculture, it has been found more practicable in the United Kingdom to use proxy indicators for changes in real net output. These are usually indicators of gross output, either physical indicators or values of output deflated by appropriate price indices.

Using gross output indicators implies the assumption that the ratio of net output at constant prices to gross output at constant prices remains stable for each industry (or for each activity within an industry for which a separate indicator is used) during the 'life' of each base year. In practice this assumption is fairly robust because of the detailed level at which industries and activities are identified. Moreover, special adjustments can be made to compensate for any large deviations identified between base years.

Where the value of gross output is deflated by price indices, those used in practice are base-weighted. As in the case of the expenditure measure, the detailed level of disaggregation at which deflation is carried out prevents this from causing serious problems. Some indicators of output are direct measures of volume and there can be difficulties in identifying improvements in quality, which can lead to some under-statement of growth.

From these descriptions it will be seen that rebasing GDP(E) consists essentially of:

(i) Re-weighting the detailed price series within the price indices used for deflating the individual components of expenditure, and

(ii) Re-weighting the deflated components of expenditure according to the value of expenditure in the new base year.

Similarly, rebasing the index of GDP(0) consists essentially of:

(i) Re-weighting the detailed price series within the price indices used for deflating the individual indicators of changes in output, and

(ii) Re-weighting the deflated indicators (and the indicators which are direct measures of volume) according to the value of net output in the new base year.

In order to obtain the appropriate weights, more detailed data on expenditure and output are required for base years than for other years. In the past the major benchmark industrial inquiries, particularly the censuses of production and censuses of distribution, provided the additional information required for rebasing the national accounts and associated series. Since the introduction of the revised system of industrial inquiries in the early 1970's it might appear possible to rebase the accounts every year: in other words, to introduce the annual chain-linked volume series described earlier in this article. In practice this is not done, for three reasons. First, although there are annual censuses of production and annual inquiries into the distributive and some service trades, the full range of data formerly collected in the benchmark inquiries is still not available for every year. Second, the results of the inquiries are not complete until some two years after the end of the year to which they relate. Thus the national accounts series for the most recent two years could not be properly chain-linked. Thirdly, rebasing is a complex operation absorbing substantial staff resources which could only be justified every year if the benefits of annual rebasing were also substantial, and there is no evidence that this would be so.

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† A current-weighted price index is of the form $\frac{\sum q_n p_n}{\sum q_n p_o}$.

Deflating current values by such an index yields:

$$\sum q_n p_n \div \frac{\sum q_n p_n}{\sum q_n p_o} = \sum q_n p_o$$

which is the sum of current quantities at base-year prices, ie the numerator in a base-weighted volume index.

‡ A base-weighted price index is of the form $\frac{\sum q_o p_n}{\sum q_o p_o}$.

Deflating current values of expenditure within a particular category by such an index yields

$$\sum q_n p_n \div \frac{\sum q_o p_n}{\sum q_o p_o} = \sum q_o p_o \frac{\sum q_n p_n}{\sum q_o p_n} = V_o \frac{Q_n}{Q_o}$$

where $V_o$ is the base-year value of expenditure for the category as a whole and $Q_n/Q_o$ is a current-weighted volume index and can be regarded as a quantity relative for the category as a whole.

Summing over all categories of expenditure yields $\sum V_o \frac{Q_n}{Q_o}$

which is the numerator of a base-weighted volume index formulated as quantity relatives weighted by base-year values.

§ The quantity and price components of value added are not separately measurable since value added is the difference between the value of gross output and the value of intermediate inputs. The base-weighted volume index is therefore ideally of the form:

$$\frac{\sum(q_n p_o - q'_n p'_o)}{\sum(q_o p_o - q'_o p'_o)}$$

where $q$ and $p$ are the quantities and prices of gross output and $q'$ and $p'$ are the quantities and prices of inputs.

**Linking of series on different bases**

Rebasing does not entail recalculating the entire series (starting from 1948) of year-to-year changes in the volumes of expenditure and output using the relative weights of the new base year. This would defeat the main object of rebasing, which is to ensure that measured changes in the volumes of output and expenditure are reasonably compatible with the price structure of the time. To measure changes in output between, say, 1978 and 1982 in terms of 1954 prices would give a distorted picture of developments in the economy between these years. But an equally distorted picture would be given of developments in the economy during the 1950's if changes during that decade were measured in terms of 1980 prices.

In order to achieve the best practical results the constant price series are re-weighted, at each rebasing, for only a limited number of years: the estimates for earlier years are not re-weighted but simply re- aled or 're-referenced' as explained below, so that they link up with the re-weighted series. Thus successive sections of the present time series of constant price estimates, extending from 1948 to 1982, are weighted according to the price structures of successive base years; but all parts of the series are shown in terms of 1975 prices, or with 1975=100 in the case of those published in index form. In other words each series has several weighting bases, but a single 'reference base'. Each volume series is in the form of a chain-linked index; but the average length of each link is about five years instead of what might be regarded as the ideal of one year.

When the national accounts were rebased on 1975, all series were fully re-weighted back to 1973. This year was chosen because of the massive increase in oil prices which occurred around the end of 1973, leading very quickly to substantial changes in the structure of domestic prices. Thus estimates of changes in the volume of output or expenditure obtained by using 1970 prices as weights were not appropriate for the years after 1973; and, similarly, estimates produced by using 1975 prices as weights would not have been appropriate for years before 1973. The estimates at 1975 prices for these years were obtained by re-referencing the 1970-based series and linking them to the 1975-based series at 1973.

Between 1975 and 1980 there was little further change in the relative price of oil up to 1978, but a further big increase (though not on the same scale as in 1973/74) occurred in 1979. This pointed to 1978 or 1979 as the year at which to link series based on 1980 to the series based on 1975. There seemed little to choose between these years from a theoretical point of view, but practical considerations favoured the earlier year. The link is therefore being made at 1978.

This means that the 1975-based estimates of *changes* in expenditure and output at constant prices will be retained for periods up to 1978 and linked to the re-weighted series at that year. Since expenditure at constant prices is expressed in money terms, the estimates for periods up to and including 1977, which at present are given in terms of 1975 prices, will be re-referenced to 1980 prices. For each of the published categories of expenditure the values up to 1977, at 1975 prices, will be multiplied by the factor:

$$\frac{\textit{1978 value at 1980 prices}}{\textit{1978 value at 1975 prices}}$$

In order to retain the existing rates of change in volumes of expenditure prior to 1977, sub-totals and totals will be re-referenced to 1980 prices independently of their detailed components. In consequence, for periods before 1978, these re-referenced sub-totals and totals will not equal the sums of their components: in other words, the constant price figures will not 'add up' in an accounting sense. The same is true of the existing estimates at 1975 prices for years before 1973.

The index numbers of output are similarly re-referenced independently at the aggregated and disaggregated levels, and the same inconsistency is present though not so easily perceived because the figures are in index form.

Although this is an inconvenience to those compiling, processing and checking the figures it is necessary if the correct weighting of the estimates is to be maintained. To obtain new sub-totals and totals as the sums of the re-referenced components would amount to re-weighting between components at 1980 prices, and would therefore be contrary to the principles set out above.

**Expenditure on the gross domestic product: the effect of rebasing on 1975**

**Percentage increases 1973-77[1]**

Table 1

| | At 1970 prices | At 1975 prices | Difference |
|---|---|---|---|
| Consumers' expenditure[2] | − 2·8 | − 4·2 | −1·4 |
| General government final consumption[2] | 8·4 | 8·8 | +0·4 |
| Gross domestic fixed capital formation[2] | −10·4 | − 8·7 | +1·7 |
| Total domestic expenditure[2] | − 3·3 | − 4·2 | −0·9 |
| Exports of goods and services[2] | 18·2 | 19·9 | +1·7 |
| Total final expenditure[2] | 0·8 | 0·4 | −0·4 |
| Imports of goods and services | 3·5 | − 2·5 | −6·0 |
| GDP at market prices | 0·2 | 1·2 | +1·0 |
| Adjustment to factor cost | − 0·2 | − 1·2 | −1·0 |
| GDP at factor cost | 0·2 | 1·5 | +1·3 |

[1] Based on data consistent with the Blue Book *National Income and Expenditure 1967-77*
[2] At market prices

**The effects of rebasing**

The effects of rebasing *on 1975* were described in articles in the May 1979 issue of *Economic Trends*[2]. The effects on GDP(E) are summarised in Table 1. They are measured over the period 1973 to 1977. As explained above, the rebasing on 1975 did not affect proportional changes in expenditure or output before 1973; and 1977 was the latest complete year for which estimates at 1970 prices were compiled. The data are consistent with the Blue Book *National Income and Expenditure 1967-77* since revisions made subsequently to the figures at 1975 prices have not also been made to the 1970-based estimates.

For most types of expenditure the theoretical effect of rebasing is to reduce slightly the estimated growth in volume. This reflects the normal price elasticities: the growth in demand is likely to be greatest for those goods and services whose unit prices have grown least. Thus, on rebasing, the weight given to products for which growth in demand has been greater than average will tend to be reduced, and the weight given to products for which growth in demand has been smaller than average will tend to be increased. A similar principle holds for the output measures. In practice, however, these theoretical effects may be obscured by other factors such as the impact of the oil price rises and the development of North Sea oil.

Rebasing did indeed reduce the estimated growth in the volume of domestic expenditure, particularly consumers' expenditure, between 1973 and 1977. However, this was more than offset by the effects on imports and exports.

Re-weighting to 1975 average prices substantially reduced the estimated growth in the volume of imports between 1973 and 1977, and also increased the estimated growth of exports. The big increase in oil prices and the emergence of North Sea oil played important parts in this result. The overall effect of rebasing on 1975 was to increase the growth of GDP(E) over the four years 1973 to 1977 by about 1¼ per cent.

In the case of GDP(O) the changes made at the 1975 rebasing were two-fold. In addition to adopting new weights, a good many improvements were made to the indicators of changes in net output. Both types of change affected the estimated growth of GDP(O); but the effect of rebasing as such - ie the introduction of new weights - was to increase the estimated growth between 1973 and 1977 by about ½ per cent in total.

To forecast the likely results of rebasing *on 1980*, all that can be done at this stage is to re-weight provisionally from 1975 relative prices to 1980 relative prices between (but not within) broad categories of expenditure or output at about the level of detail identified in the annual Blue Book. This has been done for categories of expenditure at constant prices in Table 2 of this article. Consumers' expenditure has been re-weighted in rather more detail than the functional headings shown in Table 4·7 of *National Income and Expenditure*, 1982 *edition*. Gross domestic fixed capital formation has been re-weighted among the industrial categories and types of asset identified in Table 10·8: general government final consumption among the categories military defence, national health service, education, central government 'other' and local authorities 'other'; and changes in stocks and work in progress in slightly less detail than is shown in Table 12·3. The 1975 price series for imports and exports of goods have been re-weighted very roughly among sections of the Standard International Trade Classification, but imports and exports of services have been re-weighted in more detail.

### Expenditure on the gross domestic product: preliminary assessment of the effect of rebasing on 1980

**Percentage increases 1978-81**[1]

Table 2

| | At 1975 prices | At 1980 prices[2] | Difference |
|---|---|---|---|
| Consumers' expenditure[3] .. .. | 5·3 | 4·4 | −0·9 |
| General government final consumption[3] | 3·7 | 3·8 | +0·1 |
| Gross domestic fixed capital formation[3] | − 9·9 | −11·8 | −1·9 |
| Total domestic expenditure[3] .. | − 0·5 | − 1·2 | −0·7 |
| Exports of goods and services[3] .. | 0·7 | 2·2 | +1·5 |
| Total final expenditure[3] .. .. | − 0·2 | − 0·5 | −0·3 |
| Imports of goods and services .. | 7·2 | 6·0 | −1·2 |
| GDP at market prices .. .. | − 2·3 | − 2·0 | +0·3 |
| Adjustment to factor cost .. .. | 3·4 | 1·5 | −1·9 |
| GDP at factor cost .. .. | − 3·0 | − 2·6 | +0·4 |

[1] Based on data consistent with *Economic Trends* No. 351, January 1983

[2] Preliminary estimates based on partial re-weighting only. See text.

[3] At market prices

As can be seen from the table, this partial and very approximate re-weighting has made little difference to the estimated change in GDP(E) at constant factor cost between 1978 and 1981. A fall of 3·0 per cent is reduced to a fall of 2·6 per cent. As in the previous rebasing there is a downwards effect on total domestic expenditure, but this is more than offset by a more rapid rise in exports and a slower growth of imports.

As regards the output estimate, provisional re-weighting has been carried out between (and in a limited area within) the industries identified in Table 1·9 of *National Income and Expenditure, 1982 edition*. The effect is to reduce the recorded fall in GDP(O) between 1978 and 1981 by less than ½ per cent.

### Reclassification

Another article in this issue of *Economic Trends* describes the Standard Industrial Classification, revised 1980, which is being adopted this year as the standard basis for classifying official economic statistics by industry or activity in place of the 1968 version. Starting with the Blue Book to be published in September 1983, all tables in the annual and quarterly national accounts which are analysed by industry will use the new classification. This applies not only to new data, but to the full lengths of the time series which are published in the Blue Book. For some series, estimates for longer periods will be available on request. The earlier data will be less accurately reclassified than that for more recent years.

At the same time the opportunity will be taken to introduce revised classifications for analysing consumers' expenditure. These will replace the classification used in Tables 4·6 and 4·7 of *National Income and Expenditure, 1982 edition*, which was introduced 25 years ago. An article about them will be published in *Economic Trends* in a few months' time.

### Summary

The estimates of expenditure on the gross domestic product at constant prices and the index numbers of output at constant factor cost are to be rebased this year on 1980. The rebased annual estimates will be published in September 1983 in *National Income and Expenditure, 1983 edition*, and the quarterly estimates published thereafter will also be based on 1980.

All the rebased series will be fully re-weighted back to the year 1978. The existing estimates of volume changes up to 1978 will be 're-referenced' and linked to the new series without re-weighting, to ensure that changes in the volumes of output and expenditure are measured compatibly with the price structures of the time. In consequence the detailed categories of expenditure, for years before 1978, will not 'add up' to their totals in an accounting sense.

Tentative calculations suggest that the rebasing will have little effect on the overall estimates of movements in real GDP between 1978 and 1981. The changes due to rebasing may well be less than the revisions which can result from time to time from new information or improved methodology.

With effect at the same time, all analyses by industry will be classified according to the Standard Industrial Classification, revised 1980, instead of the 1968 revision, and new classifications will be introduced for analysing consumers' expenditure.

After publication of *National Income and Expenditure, 1983 edition*, a further article in *Economic Trends* will set out the effects of rebasing.

**References**

[1] 'An assessment of the sensitivity of the national accounts constant price estimates to changes in the base year and alternative methods of calculation', *Economic Trends* No. 244, February 1974. (HMSO).

[2] 'The effects of rebasing the expenditure-based measure of gross domestic product', *Economic Trends* No. 307, May 1979. (HMSO).
'The rebased estimates of the output-based measure of gross domestic product', *Economic Trends* No. 307, May 1979. (HMSO).

# The Budget: 15 March 1983

The following are the proposed changes in taxation as set out in the *Financial Statement and Budget Report 1983–84* (HMSO, March 1983)

**Income tax**

It is proposed –

to increase the single person's allowance and the wife's maximum earned income relief from £1,565 to £1,785 and the married allowance from £2,445 to £2,795.

to increase the additional personal allowance and widows' bereavement allowance from £880 to £1,010.

to increase the age allowance for the single person from £2,070 to £2,360, for the married from £3,295 to £3,755 and the age allowance income limit from £6,700 to £7,600.

to increase the basic rate limit to £14,600.

to increase the width of the 40 per cent band to £2,600, of the 45 per cent band to £4,600, and of the 50 per cent and 55 per cent bands to £7,100.

As a consequence of these changes, the structure of personal tax rates in operation in 1983–84 will be:

**Bands of Taxable Income**

| £ | *Per cent* |
|---|---|
| 0 — 14,600 | 30 |
| 14,601 — 17,200 | 40 |
| 17,201 — 21,800 | 45 |
| 21,801 — 28,900 | 50 |
| 28,901 — 36,000 | 55 |
| over 36,000 | 60 |

It is also proposed –

to raise the threshold for the investment income surcharge for 1983–84 from £6,250 to £7,100.

to extend the widows' bereavement allowance to cover the year after the husband's death.

to increase with effect from 1984–85 the scales which determine the cash equivalents of car and car fuel benefits of directors and higher-paid employees.

to alter the law in relation to benefits in kind of directors and employees from scholarships, loans, PAYE tax payments, and, from 1984–85, provided accommodation.

to increase the limit on loans qualifying for mortgage interest relief from £25,000 to £30,000.

to extend mortgage interest relief to interest paid on certain loans for the purchase of a house by a borrower who is under a contractual obligation to live in other accommodation.

to extend the 'Business Start-up Scheme' to investment in a wider range of companies and to make other changes ('Business Expansion Scheme').

to increase the maximum annual value for appropriations of shares to an employee under an approved profit-sharing scheme by adding to the present limit of £1,250 an alternative limit of 10 per cent of the employee's earnings subject to a maximum of £5,000.

to raise from £50 to £75 the upper limit on monthly contributions by an employee under an approved savings-related share option scheme.

to extend from three to five years the period over which the income tax payable on the exercise of a share option by a director or employee may be paid by instalments.

to extend relief for interest paid on money borrowed to buy shares in an employee-controlled company as part of an employee buy-out.

to increase the limit on tax relief allowed to individuals for covenants in favour of charities at the higher and additional rates.

to make gains on certain 'secondhand bonds' liable to income tax.

to increase to £1,000 the limit for not assessing income tax on an individual under the close companies' apportionment provisions.

**Income tax and corporation tax**

It is proposed –

to extend, until 31 March 1987, the 100 per cent first year allowance for expenditure on British films.

to extend, for one year, the 100 per cent first year allowance for expenditure on rented teletext sets.

to increase from 10 per cent to 25 per cent, for the industrial buildings allowance, the permissible cost relating to non-industrial purposes.

to allow expenditure on the conversion of existing premises to small industrial workshops to qualify for the 100 per cent allowance where the average size of all the converted units is within the prescribed limit.

to extend stock relief to houses taken in part exchange by housebuilders in certain circumstances.

to allow payment of interest on Eurobonds in certain circumstances without deduction of tax.

**Income tax, corporation tax and capital gains tax**

It is proposed to provide new rules for the tax treatment of stock issued by companies at a discount.

**Corporation tax**

It is proposed –

for the financial year 1982 to fix the 'small companies' rate of corporation tax at 38 per cent (previously 40 per cent), to increase the limit for that rate from £90,000 to £100,000 and to increase the limit for marginal relief from £225,000 to £500,000.

to extend progressively from two to six years the period for which 'surplus' advance corporation tax may be carried back and set against corporation tax.

to allow credit for foreign tax against corporation tax before it is reduced by advance corporation tax.

to enable Trustee Savings Banks to be treated for tax purposes as bodies corporate.

to enable a charge to corporation tax to be imposed with effect from 6 April 1984 on United Kingdom resident companies which have an interest of 10 per cent or more in certain United Kingdom controlled companies resident in low tax territories, the charge being proportionate to their interest.

to extend relief to companies for discount on bills of exchange accepted by banks carrying on business in the United Kingdom, and for the incidental costs of raising such finance.

to extend the relief for the incidental costs of obtaining loan finance.

to allow relief for the costs of employees seconded to charities.

to make provision against the avoidance of tax through group and consortium relief.

to introduce, for certain securities, an alternative method for calculating the indexation allowance applying to capital gains.

**Oil taxation**

It is proposed –

to reduce the rate of advance petroleum revenue tax from 20 per cent to 15 per cent from 1 July 1983; to 10 per cent from 1 January 1985; to 5 per cent from 1 January 1986; and to abolish it from 1 January 1987.

to allow relief against petroleum revenue tax (PRT) on any field for expenditure incurred after 15 March 1983 in searching for oil and appraising discovered reserves anywhere in the United Kingdom, and the United Kingdom Continental Shelf.

to increase the PRT oil allowance to 500,000 tonnes of oil per chargeable period subject to a cumulative limit of 10 million tonnes per field for offshore fields outside the Southern basin where development consent is given after 1 April 1982. (In addition the Secretary of State for Energy proposes to abolish royalties for such fields.)

to revise the PRT rules for relief for expenditure on shared assets and to charge related receipts.

to exclude from charge oil won which the participator uses for production purposes in another field.

to correct certain technical defects in the PRT provisions.

**Capital gains tax**

It is proposed –

to increase the annual exempt amount in line with the increase in the retail prices index so that for 1983–84 an individual will be exempt on the first £5,300, and most trusts on the first £2,650, of capital gains.

to increase the limit on reliefs relating to the transfer of a business on retirement.

to increase the limit on reliefs relating to the letting of residential accommodation and small part disposals of land.

to extend the private residence relief to gains arising to a person required by the terms of his trade or profession to live in other accommodation.

to abolish the small gifts exemption and the payment by instalment facilities.

to amend the rules relating to the value at which assets are deemed to be acquired from certain non-resident trusts.

**Development land tax**

It is proposed –

to defer the charge on a deemed disposal which is started before 1 April 1986 (instead of 1 April 1984 as at present) and is for the owner's use, and to extinguish *any* deferred liability which has not become chargeable within 12 years of the start of development.

to improve the machinery for deducting tax from consideration when there is a disposal by a non-resident.

to extend the period over which tax can be paid by instalments from 8 to 10 years and remove the facility to pay by half-yearly instalments.

**Capital transfer tax**

It is proposed to introduce new rate schedules for both death and lifetime transfers as follows:

| *Band of chargeable value £'000* | *Rate on death per cent* | *Lifetime rate per cent* |
|---|---|---|
| 0 — 60 | Nil | Nil |
| 60 — 80 | 30 | 15 |
| 80 — 110 | 35 | 17½ |
| 110 — 140 | 40 | 20 |
| 140 — 175 | 45 | 22½ |
| 175 — 220 | 50 | 25 |
| 220 — 270 | 55 | 30 |
| 270 — 700 | 60 | 35 |
| 700 — 1,325 | 65 | 40 |
| 1,325 — 2,650 | 70 | 45 |
| over 2,650 | 75 | 50 |

It is also proposed –

to increase the rate of relief for transfers of minority holdings in unquoted companies from 20 per cent to 30 per cent.

to increase the rate of relief for transfers of tenanted agricultural land from 20 per cent to 30 per cent.

to extend the period over which tax may be paid by instalments from 8 to 10 years and remove the facility to pay by half-yearly instalments.

to remove the ceiling of £250,000 on the total value of transfers within one year of death to charities which is exempt.

to remove the special rule under which persons becoming domiciled in the Channel Islands or the Isle of Man may be regarded as remaining domiciled in the United Kingdom for tax purposes.

to clarify the rules about the incidence of tax on death when the Will contains no directions.

to amend the provisions relating to settled property.

**Value added tax**

It is proposed to increase the registration and deregistration limits by Order made under Section 13(3) of the Finance Act 1982. From 16 March 1983 the registration limits will become £18,000 per annum and £6,000 per quarter. From 1 June 1983 the deregistration limits will become £17,000 per annum where estimated future turnover is concerned, and £18,000 per annum where past turnover is concerned.

**Alcoholic drinks**

It is proposed, from midnight 15–16 March 1983, to increase:

- the rates of duty on spirits from £14·47 to £15·19 per litre of alcohol;
- the rate of duty on beer from £20·40 to £21·60 per hectolitre and the charge for each additional degree of original gravity above 1030° per hectolitre from £0·68 to £0·72;
- the rates of duty on wine by the following amounts per hectolitre:

  Wine of an alcoholic strength:
  not exceeding 15 per cent: from £106·80 to £113·00;
  exceeding 15 per cent but not exceeding 18 per cent: from £137·90 to £145·90;
  exceeding 18 per cent but not exceeding 22 per cent: £162·30 to £171·70;
  exceeding 22 per cent: £171·70 plus £15·19 (instead of £14·47) for every 1 per cent, or part of 1 per cent, in excess of 22 per cent;

  surcharge on sparkling wine: from £23·45 to £24·80;
- the rates of duty on made-wine by the following amounts per hectolitre:

  Made-wine of an alcoholic strength:
  not exceeding 10 per cent: from £73·10 to £79·30;
  exceeding 10 per cent but not exceeding 15 per cent: from £103·80 to £109·80;
  exceeding 15 per cent but not exceeding 18 per cent: from £127·80 to £135·20;
  exceeding 18 per cent: £135·20 plus £15·19 (instead of £14·47) for every 1 per cent, or part of 1 per cent, in excess of 18 per cent;

  surcharge on sparkling made-wine: from £10·75 to £11·35;
- the rate of duty on cider and perry from £8·16 to £9·69 per hectolitre.

**Hydrocarbon oil**

It is proposed from 6 pm on 15 March 1983, to increase:

- the rate of duty on light hydrocarbon oil from 15·54p to 16·30p per litre;
- the rate of duty on heavy hydrocarbon oil for use as road fuel from 13·25p to 13·82p per litre.

The duty on petrol substitutes and spirits used for making power: methylated spirits is charged at the same rate as on light hydrocarbon oil, and aviation gasoline and gas for use as road fuel are charged at half the rate on light hydrocarbon oil.

**Tobacco**

It is proposed, from midnight 17–18 March 1983, to increase:

- the specific element in the duty on cigarettes from £20·68 to £21·67 per 1,000 cigarettes (the *ad valorem* element remaining unchanged);
- the duty on cigars from £39·00 to £40·85 per kilogram;
- the duty on hand-rolling tobacco from £33·65 to £35·40 per kilogram.

**Approximate direct effects of changes in Duty Rates on certain product prices**

*(All except VED inclusive of 15 per cent VAT)*

| | |
|---|---|
| Spirits duty | 25p on a bottle of spirits |
| Beer duty | 1p on a pint of beer of average strength |
| Wine duty | 5p on a bottle of table wine |
| Fortified wine duty | 7p on a bottle of sherry |
| Petrol duty | 4p on a gallon of petrol |
| Derv duty | 3p on a gallon of derv |
| Tobacco duty | 3p on a packet of 20 cigarettes |
| Vehicle excise duty | £5 on a car licence |

**Vehicle Excise Duty**

It is proposed to increase the excise duty on mechanically-propelled vehicles, other than goods vehicles, chargeable under Section 1 of the Vehicles (Excise) Act 1971 and under Section 1 of the Vehicles (Excise) Act (Northern Ireland) 1972 by about 6 per cent. This figure is broadly descriptive. There will be some variations within particular vehicle categories.

The duty on most cars and light commercial vehicles will rise by £5 to £85. The rates of duty on heavy goods vehicles at the lower end of the duty scales will be reduced by about 10 per cent but on the most damaging heavy goods vehicles duty will be increased by up to 26 per cent. The duty on a 32½ tonne lorry will rise by £470 to £2,290 and the duty on a 38 tonne lorry will be set at £2,940. These changes have effect in relation to licences taken out after 15 March.

**National Insurance Surcharge**

It is proposed to reduce by ½ percentage point to 1 per cent the surcharge paid in respect of employees by secondary Class 1 contributors under the provisions of the National Insurance Surcharge Act 1976. This reduction will take effect from 1 August 1983. Expenditure programmes (excluding local authorities) will be reduced accordingly.

## Direct effects* of changes in taxation

| | £ million Forecast for 1983–84 | Forecast for a full year |
|---|---|---|
| **Inland Revenue** | | |
| *Income tax* | | |
| Increase in single allowance by £220 and married allowance by £350 | −1,630[1] | −1,995[1] |
| Increase in additional personal allowance and widows' bereavement allowance by £130 | − 10[1] | − 10[1] |
| Increase in age allowance by £290 (single) and by £460 (married) and in income limit by £900 | − 210[1] | − 260[1] |
| Increase in basic rate limit by £1,800 to £14,600 | − 90[1] | − 140[1] |
| Increase in further higher rate thresholds | − 60[1] | − 115[1] |
| Increase in investment income surcharge threshold | Negligible[1] | − 25[1] |
| Extension of widows' bereavement allowance | − 25 | − 30 |
| Fringe benefits – increases in car and car fuel scales for 1984–85 | Nil | + 35[2] |
| Fringe benefits – changes in relation to scholarships, loans, PAYE tax payments and (from 1984–85) to provided accommodation | Nil | + 10 |
| Increase in mortgage interest relief limit | − 50 | − 60 |
| Extension of mortgage interest relief to certain borrowers | − 2 | − 5 |
| Extending the 'Business Start-up Scheme' | − 25[3] | − 75[3] |
| Increases in employee shareholding reliefs | − 20 | − 35[3] |
| Interest relief for borrowing to buy shares in employee-controlled companies | − 1 | − 2 |
| Change in relief on covenanted gifts to charities | Negligible | − 3 |
| Secondhand bonds | Negligible | Negligible |
| Limit for assessments of apportioned income | Negligible | Negligible |
| *Income tax and corporation tax* | | |
| Extension of capital allowances on British films | Nil | − 30[4] |
| Extension of capital allowances on teletext sets | Nil | − 10[5] |
| Industrial buildings allowance: increase in non-industrial space | Nil | − 25[6] |
| Conversions to small industrial workshops | Negligible | Negligible |
| Extension of stock relief for housebuilders | Negligible | − 5 |
| Payment of Eurobond interest without deduction of tax | Negligible | − 2 |
| *Income tax, corporation tax and capital gains tax* | | |
| Provisions relating to stock issued at a discount | Negligible | − 15[3,7] |
| *Corporation tax* | | |
| Reduction in 'small companies' rate and increase in limits | − 40 | − 70 |
| Extension of carry back period for advance corporation tax | Nil | [8] |
| Change in arrangements for setting off advance corporation tax and double taxation relief | Nil | [9] |
| Treatment of TSBs as bodies corporate | − 3 | − 10 |
| Charge to tax in respect of controlled foreign companies | Nil | [10] |
| Relief for discounts etc. on bills of exchange | Negligible | − 1 |
| Incidental costs of obtaining loan finance | Negligible | Negligible |
| Employees seconded to charities | Negligible | Negligible |
| Provision against avoidance through group etc. relief | Negligible | + 10[3] |
| Alternative method for calculating indexation allowance applying to capital gains | Nil | Nil |
| *Petroleum revenue tax* | | |
| Phasing out of advance petroleum revenue tax | − 50 | [11] |
| Appraisal and exploration relief | − 40 | [12] |
| Increase in PRT oil allowance for future fields | Nil | [13] |
| PRT expenditure relief for shared assets and charge on related receipts | − 15 | [14] |
| Minor PRT changes | − 10 | − 5 |
| *Capital gains tax* | | |
| Indexation of annual exempt amount | Nil[1] | − 10[1,15] |
| Increase in limit for retirement relief | Nil | − 4 |
| Increase in other monetary limits | Nil | − 1 |
| Other changes | Nil | Negligible |
| *Development land tax* | | |
| Charge on a deemed disposal | Nil | − 4 |
| Disposals by non-residents | + 1 | + 2 |
| Extension of instalment period | Negligible | Nil |
| *Capital transfer tax* | | |
| Increase in thresholds and changes in bands | − 20[1] | − 50[1,16] |
| Increase in rates of business and agricultural relief | Negligible | − 5 |
| Extension of instalment period | − 2 | Nil[17] |
| Removal of ceiling in charity exemption | Negligible | − 1 |
| Other changes | − 1 | − 2 |
| Total Inland Revenue | −2,303 | −2,948[18] |

## Direct effects* of changes in taxation

| | £ million | |
|---|---|---|
| | Forecast for 1983–84 | Forecast for a full year |
| **Customs and Excise** | | |
| *Value added tax* | | |
| Increase in registration limits | − 5 | − 5 |
| *Excise duties* | | |
| Increases in rates of duty on light oil, etc. | + 190 | + 190 |
| Increase in rate of duty on heavy oil for use in road vehicles | + 40 | + 40 |
| Increases in rates of tobacco products duty | + 95 | + 100 |
| Increase in rate of spirits duty | + 25 | + 25 |
| Increases in rates of beer duty | + 85 | + 90 |
| Increases in rates of wine and made-wine duties | + 25 | + 25 |
| Increase in rate of duty on cider and perry | + 5 | + 5 |
| Total Customs and Excise | + 460 | + 470 |
| *Vehicle excise duty* | | |
| Increase in rates of duty | + 130 | + 130 |
| *National Insurance surcharge* | | |
| Reduction in surcharge | − 215 | − 390[19] |
| *Other* | | |
| Bus Fuel Grants | − 5 | − 5[20] |
| Total changes in taxation | −1,933 | −2,743 |

* Indirect effects are excluded. The expenditure tax figures do, however, allow for the effects of relative price changes on the composition of consumers' expenditure. This is explained in the note on page 9 of the *Financial Statement and Budget Report 1981–82*. A fuller description of the estimation of the direct effects of expenditure tax changes is provided in an article in *Economic Trends*, March 1980.

[1] *Taxes subject to statutory indexation.* The table below shows the direct revenue costs of indexing the income tax main allowances and thresholds, the capital gains tax exempt amount and the capital transfer tax threshold and bands by reference to the increase in the general index of retail prices between December 1981 and December 1982 (5·4 per cent), rounded in accordance with the statutory provisions, together with the costs of the proposed changes on top of indexation:

**Direct Revenue Costs (£ million)**

| | Indexation | | Proposed changes on top of indexation | |
|---|---|---|---|---|
| | 1983–84 | Full Year | 1983–84 | Full Year |
| *Income tax* | | | | |
| Main allowances | − 760 | − 930 | −1,090 | −1,335 |
| Basic rate limit | − 40 | − 60 | − 50 | − 80 |
| Further higher rate thresholds | − 30 | − 55 | − 30 | − 60 |
| Investment income surcharge threshold | Negligible | − 10 | Negligible | − 15 |
| **Total income tax** | − 830 | −1,055 | −1,170 | −1,490 |
| *Capital gains tax* | | | | |
| Exempt amount | Nil | − 10 | Nil | Nil |
| *Capital transfer tax* | | | | |
| Thresholds and bands | − 15 | − 35 | − 5 | − 15 |

[2] Effective from 1984–85; the yield in 1984–85 will be £30 million.

[3] These estimates are highly uncertain.

[4] The change takes effect from 1 April 1984, but the effect on tax receipts in 1984–85 will be negligible.

[5] The cost in 1984–85 will be £8 million.

[6] The cost in 1984–85 will be £10 million.

[7] Effect on tax liabilities for 1983–84; over a period of years there will be some deferment of tax liabilities.

[8] Tax liabilities for accounting periods ending in 1981–82 and later will be reduced. The costs in 1984–85 and 1985–86 are tentatively estimated at £1 million and £15 million respectively, and there will be some continuing costs thereafter.

[9] The cost will be negligible in 1984–85 and some £25 million in 1985–86; in the long term it could be up to £100 million.

[10] The yield will be negligible in 1984–85 and some £25 million in 1985–86, building up to £100 million.

[11] The main medium term effect of phasing out advance petroleum revenue tax is to defer payment of petroleum revenue tax; over the years the amount payable would be unchanged apart from a secondary effect on reliefs against petroleum revenue tax which may give some net yield in later years. In discounted terms the effect of this deferment is generally beneficial to the industry.

[12] The immediate cost will be offset by reductions in reliefs in future years but there will be a net benefit to the industry in discounted terms.

[13] The eventual cost depends on how many fields are developed in future; it could be a yield if additional fields are developed as a result of the proposal.

[14] The net cost in 1983–84 arises because the adjustments to be made in restrictions to relief already made, or due to be made, under existing law exceed the estimated yield from receipts. In subsequent years there is an estimated net yield (around £15 million a year on average for the years 1984–85 to 1986–87), but the industry will also be relieved from further substantial relief restrictions applicable under existing law. (These cannot be precisely quantified but the cost could run to some hundreds of million pounds over a period of years.)

[15] The effect on receipts in respect of tax liabilities for 1983–84; the effect on receipts in 1984–85 will be £3 million.

[16] The effect on receipts in respect of tax liabilities for 1983–84; the effect on receipts in 1984–85 will be £40 million.

[17] The cost in 1984–85 will be £5 million.

[18] No figures are included for the changes covered by footnotes [8] and [11] to [14] above; and any figures covered by footnotes [9] and [10] are broadly offsetting.

[19] Figures exclude public sector payments of £80 million in 1983–84 and £215 million in a full year. Public expenditure will be reduced accordingly.

[20] This is consequential on the increase in road fuel duties.

# The economy: recent developments and prospects to mid-1984

The following note and tables are adapted from the *Financial Statement and Budget Report 1983–84* (HMSO, March 1983)


**Summary**

By the end of 1982 lower interest rates and lower inflation, particularly in the United States, were pointing towards some increase in world activity in 1983. The fall in oil prices in recent weeks improves the prospects for both recovery and low inflation.

In the United Kingdom, the effects of lower world activity in 1982 were to a considerable extent offset by a good performance by exporters in world markets and by a rise in final domestic demand, led by consumer spending. But with some further fall in stocks, the growth in total output was probably not much more than ½ per cent, most of which was accounted for by higher oil production, and there were further rises in unemployment. The forecasts for 1983 and the first half of 1984 are based on the fiscal and monetary policies set out in the Budget speech and in the Medium Term Financial Strategy.

The recovery in world trade should lead to a renewed rise in exports, helped by better cost competitiveness, from the first half of this year. With imports likely to increase rather faster as domestic demand continues to rise and as the rundown in stocks comes to an end, the surplus on the current account of the balance of payments is forecast to be sizeable, but smaller than in 1982.

After the major reduction in inflation over the past year, there is likely to be a pause in 1983 as the effects of the recent fall in the exchange rate are absorbed. With increases in costs likely to continue below the rate of increase in prices, the gradual recovery in profits should continue.

Growth in overseas markets, further increases in domestic demand as the effects of lower inflation and lower interest rates work through, together with gradually improving profitability, should lead to total output rising, by perhaps 2½ per cent between the first half of 1983 and the first half of 1984.


## The world economy

Two years of slow growth in 1980 and 1981 reflected the 140 per cent rise in oil prices in 1979–80 against the background of policies designed to contain the impact on inflation. By early 1982 there was a widespread expectation that a lower rate of inflation – already falling significantly and expected to contribute to lower interest rates – would lead to a recovery in demand and output in the industrialised world. Instead there were declines in industrial demand and activity, partly reflecting the continuing effects of high real interest rates, particularly in the USA; while lower export earnings (as commodity prices fell), high interest rates and a strong dollar combined to raise doubts about creditworthiness of heavily indebted countries.

In the course of 1982 inflation fell further, helped by continuing weakness in commodity prices (except oil). The reduction in inflation and the delay in economic recovery, combined with easier monetary policy in the United States, led to substantially lower interest rates (at least in nominal terms). In the Western economies stocks were run down further until by the end of the year the level of stocks was if anything below normal. The developing countries were reducing their imports, while their overall debt position was benefiting from lower interest rates.

At the beginning of 1983, there is again a widespread expectation of a moderate recovery in activity, some evidence for which is provided by increases in industrial production and housing starts (in the US) and domestic industrial orders (in Germany). Both interest rates and inflation rates have come down sharply since early 1982 (Eurodollar rates for example fell from 15 per cent to under 9½ per cent), with fiscal and monetary conditions becoming less tight. Partly as a result the stock rundown may now be largely over and final demand should rise further. There is also some prospect of an end to the decline in imports into developing countries although further reductions can be expected for oil producers.

In most of the economic cycles in the post-war years, the recovery of output has been followed by a rise in commodity prices. In the case of oil, prices are expected to be lower in 1983 not only because of the recession but also because of the lagged effects of earlier price rises. But other commodity prices are already at a low level in relation to world prices generally and rising demand from the industrialised countries will probably induce some increases by the first half of next year, allowing some recovery in the export earnings of developing countries. Indeed some commodities, particularly non-ferrous metals, may see a recovery in prices this year; there have already been scattered indications of this.

The forecast points to a rise in activity from the first half of 1983: this can be expected to result in only a small increase in output between the average levels of 1982 and 1983, but a rather faster rate of growth by the first half of 1984. UK export markets should share in the recovery, though the fall in oil revenues will reduce the OPEC market in which the UK has a well above average share. The forecast is summarised in the table below:

### World Economic Prospects

TABLE 1

| | Per cent changes on a year earlier | | | | | |
|---|---|---|---|---|---|---|
| | 1975–80 | 1980 | 1981 | 1982 | 1983 | 1984 First half |
| GDP* .. .. | 3¼ | 1 | 1¼ | − ¼ | 1¼ | 3¼ |
| Consumer prices* .. | 8½ | 12 | 10 | 7 | 5 | 5¼ |
| Trade in manufactures (UK weighted) .. | 6 | 4½ | 3 | −3¼ | 1 | 6 |

* Major 6: US, Germany, Japan, France, Italy, Canada.

## Exchange rate, trade, relative prices and costs

The value of sterling, measured against a basket of other currencies, fell more than 10 per cent in late 1982 and early 1983, after a period of little change lasting over a year. The exchange rate will continue to be determined by market forces; for the purposes of this forecast, it is assumed that the effective exchange rate will remain around the level in

in February 1983. The prospect for inflation, which takes account of this assumption about the exchange rate, suggests that from now on there will be no substantial difference between inflation rates in the UK and in the average of our major competitors. On this basis the level of cost competitiveness in the UK over the forecast period should be appreciably better than in 1980, 1981 or 1982.

The effect of the recent change in the value of sterling on price competitiveness is not yet clear. The fall in sterling in 1981, from the exceptional level at the beginning of that year, was reflected in a substantial improvement in relative export prices, as exporters took most of the benefits on prices rather than on profit margins; but in a rather small improvement in import price competitiveness as importers cut their margins to a greater extent than usual. By the end of 1982, profit margins on goods supplied to the UK seemed, on average, to be little higher than elsewhere and hence the scope for further reductions in importers' margins may be more limited than in 1981. With low inflation in most other industrialised countries, a fall in oil prices and at least for a time no major recovery in other commodity prices, import prices (as measured by the average value index for total goods) by the second half of 1983 may be under 10 per cent higher than a year earlier.

In manufacturing, the UK has lost share by volume in most years, but value shares have been roughly constant in recent years.

In 1982, when world trade in manufactures is estimated to have fallen over 3 per cent, there was a small rise in manufactured exports. This represented a significantly better performance than the substantial loss of share between 1977 and 1981. In the domestic market, there has been a fall in the share of domestic producers except at times of heavy de-stocking in late 1980, early 1981, and the second half of 1982.

For the first half of 1983 most of the short-term indicators, including engineering orders and the replies to the CBI's questions on orders, as well as the January trade figures suggest that the level of exports may well be little changed from the second half of 1982. As world recovery gets under way, and as the gains in cost competitiveness begin to be felt, then export growth should pick up, as the improvements in export optimism in the CBI survey also suggest. By the first half of 1984 exports of goods and services could be 5 per cent higher than a year earlier in volume terms.

The volume of imports levelled off in the course of 1982, despite the rise in final domestic demand, particularly personal consumption. That suggests and the latest figures confirm a stock rundown in the second half of 1982. As that comes to an end an increase in imports can be expected.

The current account of the balance of payments was again in large surplus in 1982, of about £4 billion. The high surplus in the second half of the year was partly a result of an exceptionally large surplus on oil.

With growth of demand in the UK forecast to be a little more than in other countries, and perhaps some worsening in the terms of trade, there seems likely to be a further increase in the deficit on non-oil trade. But this may be partly offset by a growing surplus in invisibles – reflecting rising world activity and profitability, as well as the rising stock of overseas assets. The recent depreciation of sterling may not have much net impact on the current account in 1983 but should make for a higher surplus by 1984. In total, the current account is forecast to be in surplus of some £1½ billion in 1983.

**Inflation**

The reduction in inflation in the UK over the past year has been greater than in most other industrialised economies so that by early 1983 the UK inflation rate was well below the European average, though still rather above that of the United States, Germany and Japan.

In January 1983 the Retail Prices Index in the UK was only 5 per cent higher than a year earlier. The corresponding figure for January 1982 was 12 per cent. The 1 per cent fall in the housing component of the index since January 1982 resulted from the 5 point cut in mortgage rates; and there were falls in the prices of fresh vegetables and other seasonal items. Other indices, for example, wholesale prices and the GDP deflator (a price index for the whole of national output), also indicate a substantial fall in inflation though less marked. This is partly because of the greater weight in the RPI of housing costs and of seasonal foods. The index of wholesale output prices, on a definition excluding food, drink, tobacco and oil products (the latter omitted because extensive discounting has been causing bias in the list prices quoted in the index), was 7½ per cent higher than a year earlier in January 1982; by January 1983 the index was no more than 5½ per cent up on a year earlier.

1982 was a year in which inflation fell sharply but not at the expense of profit margins where in the non-oil sector there was some recovery from the low point in the second half of 1981. Figures for 1982 are not yet complete, but whole economy costs changed as follows:

**Whole Economy Costs**

TABLE 2

| | Per cent changes on a year earlier | |
|---|---|---|
| | 1981 Q3 | 1982 Q3 |
| Labour costs per unit of output | 8 | 3½ |
| of which earnings | 10½ | 8½ |
| *less* productivity growth | − 4 | −4 |
| *plus* other labour costs including NIS | 1 | −1 |
| Import prices (goods and services) | 9 | 3½ |
| Expenditure prices (the deflator for total final expenditure) | 10½ | 6 |
| GDP deflator | 11½ | 6½ |

The table shows that the rise in labour costs slowed down considerably in 1982, helped by the slower rate of earnings growth and the cut in the National Insurance Surcharge. Costs rose less than prices.

Settlements in the current pay round (since last autumn) have been running 1–2 per cent lower than in the previous round. The falling trend in wage settlements is reflected, with a lag, in the average earnings index: in December 1982, its year on year change was down to 8 per cent, from 11 per cent in the fourth quarter of 1981.

In 1982 the rate of price inflation came down faster than the growth of earnings. In consequence real after-tax take-home pay, as it affected the average employee, began to rise from about the middle of 1982. But employers take account in addition of the selling prices of their goods and services, of productivity gains, and of taxes on employment. Continuing productivity gains in 1982, together with reductions in the National Insurance Surcharge, contributed to a fall in the average real wage, per unit of output, paid by employers.

Thus by the end of 1982, the real wage received by employees was rising; the real wage paid by employers was edging down and was near the 1979 level. But over the period 1979–82, taken as a whole, both wages and prices rose faster in the UK than in other countries, on average, and this is reflected in measures of price and cost competitiveness.

The fall in the exchange rate since October 1982 is already making for higher import prices. While the extent to which this will affect other prices and costs is very uncertain, it is likely that on average import prices will rise somewhat faster than domestic costs or prices.

Profit margins in the UK have begun to recover, from a low level, but moderate wage settlements and the limited extent of recovery forecast for the world economy will continue to restrain prices. The general rate of inflation, as measured by the rise in the GDP deflator, is forecast to be about 5½ per cent in 1983, rather below the rate last summer. Price indices which include a substantial direct import component are liable to show a slightly bigger increase for a time. The prices charged by the nationalised industries are expected to rise, in aggregate, somewhat more slowly than the average of other prices, following a period of above average increases.

By the fourth quarter of 1983 the inflation rate as measured by the RPI may be about 6 per cent, much the same as in the fourth quarter of 1982. Noticeably lower figures will continue to be experienced for much of this year because of the factors referred to in paragraph 3.21. By mid 1984 the world and UK recoveries should be well under way, with perhaps more pressure on commodity prices and firms better placed to improve profit margins; but on the other hand there should be benefits from a greater stability of the exchange rate. The RPI by mid 1984 could be rising at an annual rate of 6 per cent – close to the assumed rise in the GDP deflator of 5½ per cent in financial year 1984–85 (see paragraph 2.16). Although a wide margin of error surrounds these forecasts, the rate of inflation over the forecast period should be below the rates seen at any time since the early 1970s. This change reflects in large part the influence of the monetary and fiscal policies pursued in recent years.

**Demand and activity**

After little change for about three years, personal spending rose sharply in the second half of 1982. Expenditure on durables in particular rose rapidly, reflecting mainly the beginning of an upturn in real take-home pay, lower interest rates, the abolition of HP controls in July and continued easy availability of bank credit. In addition, low purchases of durables during the previous two years had left stocks of durables held by consumers rather depleted.

The fall in real personal disposable incomes – estimated at about 4 per cent between 1980 and 1982 – was more than offset by a fall in the saving ratio. This went beyond the usual tendency for savings to act as a cushion for fluctuations in incomes and helps to confirm that the need for saving was becoming less as the rate of inflation and interest rates moved down substantially. The chart also shows how the personal sector has been able to begin to rebuild its financial asset holdings: the ratio of gross financial wealth to income has risen since 1980, with capital gains, reflecting lower nominal interest rates, and high borrowing more than offsetting the fall in the flow of saving.

By the end of 1982, the real earnings of those in work were rising again; and in 1983 the real value of personal disposable income, taking account of the tax changes proposed in the budget, is forecast to rise about 2 per cent. The saving ratio having already fallen sharply in the course of 1982 may remain a little below the 1982 average and consumer spending could rise 2¼ per cent in 1983.

With the rise in consumer spending in the second half of 1982 manufacturers and distributors ran down their stocks, and by the end of 1982 the ratio of stocks to sales had fallen by comparison with a year earlier. Over the forecast period, it seems likely that distributors will want to rebuild their stocks of consumer goods. Manufacturers' stocks, however, could still be above desired levels, judging by the results of the recent CBI surveys; and with only moderate prospects of recovery in their output, the level of stocks in this sector may not change much. In aggregate, the destocking in 1982, now put at about £¾ billion at 1975 prices, could be followed by a small rise in stock levels in 1983.

Fixed investment in total in 1982 is estimated to have been 3½ per cent higher by volume than the previous year. In the private sector investment in new dwellings rose about 8 per cent, in response to the readily available supply of mortgage finance and successive reductions in interest rates. In the distributive and service sectors of the economy investment (excluding leased assets) rose 7 per cent. Prospects for demand and profitability have been stronger here than in the manufacturing sector, where investment (including leased assets) fell a further 8 per cent. In the public sector, there were increases in the volume of fixed investment by central government and the nationalised industries. Investment by local authorities, excluding council house sales (which count as negative investment), was little changed.

The surveys carried out by the Department of Industry and by the CBI are consistent with a further rise in industrial investment in total, in 1983; within the total the fall in manufacturing investment may come to an end in the course of the year. Taking investment and consumption together, the volume of expenditure by the public sector on goods and services is forecast to rise slowly, consistently with the proportion of total public expenditure in the economy falling slowly.

In total, domestic demand is expected to rise further in 1983 and the first half of 1984. The prospect of world recovery and the effects of recent gains in competitiveness point to a strong rise in UK exports by the first half of 1984:

**Domestic Demand and Exports**

TABLE 3

| | Per cent changes on a year earlier | | |
|---|---|---|---|
| | 1982 | 1983 | 1984 First half |
| Domestic demand | 2¼ | 3½ | 3 |
| Exports of goods and services | ½ | 1 | 5 |

The absence of any further rundown in stocks and the faster growth of total demand points to further rises in imports, together with a growth of domestic output:

**Supply**

TABLE 4

| | Per cent changes on a year earlier | | |
|---|---|---|---|
| | 1982 | 1983 | 1984 First half |
| Imports of goods and services | 5 | 5 | 5 |
| Domestic production: total GDP | ¼ | 2 | 2¼ |

The share of manufacturing industry in total output has been falling since the early 1970s, and particularly strongly since 1979. Treasury forecasts of manufacturing output have generally proved over-optimistic, to a considerable extent because the demand for manufactures in total was overstated. The forecast of manufacturing output in 1983 takes account of recent survey information. Over the forecast period, output in the manufacturing sector could be rising at much the same rate as in the rest of the economy.

### Output

TABLE 5

| 1975 =100 | 1982 | | 1983 | | 1984 |
|---|---|---|---|---|---|
| | I | II | I | II | I |
| Gross domestic product .. | 106 | 106½ | 107½ | 109 | 110 |
| Manufacturing output .. | 89½ | 87½ | 89½ | 90½ | 91½ |

**Employment, productivity and profitability**

Total employment fell by some 1¾ million between 1979 and 1982, with a fall of nearly 1½ million in manufacturing, where the problems of profitability and competitiveness have been greatest. The further fall of employment in 1982 was accompanied by a rise in unemployment from 10·7 per cent in 1981 to 12·5 per cent in 1982, a slower rise than in the previous year. In manufacturing, there is convincing evidence of an above average gain in productivity since 1980, though the extent of the fall in output makes the precise size of this gain difficult to assess. Outside manufacturing, the revised employment data up to mid 1981, and the less reliable indications available for 1982, do not suggest any marked improvement in productivity growth since 1979.

In 1982 there was evidence that the period of exceptionally rapid productivity gains in manufacturing was giving way, as had been expected, to more moderate gains. Growth of total output in the range 2–2½ per cent, if sustained for a period and accompanied by no major shifts in financial pressures on employers, is probably consistent with no great change in unemployment.

Company profitability reached a low point in 1981: DOI estimates, based on necessarily very uncertain assumptions about obsolescence of capital and about tax, suggest that for industrial and commercial companies outside the North Sea the average real rate of return was about 3 per cent, compared to about 10 per cent a decade ago. Preliminary estimates for 1982 point to some recovery; and the forecast for inflation is consistent with some further increase in profitability in 1983. This, in turn, should help to ensure that a good part of the rise in demand is met from domestic supply.

**Forecast and outturn**

The table below compares the main elements of the forecast published in the 1982 FSBR with outturns or latest estimates.

### Forecast and Outturn

TABLE 6

| | Forecast | Outturn/ Estimate |
|---|---|---|
| Total output, per cent change between 1981 and 1982 | 1½ | ½ |
| Retail Prices Index: per cent increase between the fourth quarters of 1981 and 1982 .. .. | 9 | 6 |
| Current account of the balance of payments in 1982, £ billion .. .. .. .. .. | 4 | 4 |
| PSBR, 1982–83, £ billion .. .. .. .. | 9½ | 7½ |

GDP increased rather less than forecast in 1982. World demand and trade were substantially less than forecast, accounting for more than all the difference of 3 per cent on exports of goods and services: consumer demand (helped by lower prices) was a little higher than expected. But much of this was met out of stocks and with manufacturers keen to get stock levels down further there was another substantial fall in stocks in 1982. Much of this was reflected in lower imports. The current account surplus in 1982 turned out very close to the Budget estimate: both exports and imports were lower than forecast.

Retail prices in the fourth quarter of 1982 were nearly 3 per cent lower than forecast. Major contributing factors were the much lower increases than expected in housing costs (including the mortgage rate) and in seasonal foods. The general level of prices, as measured by the GDP deflator, was subject to a much smaller margin of error: the GDP deflator in 1982–83 is estimated to have been 7 per cent higher than a year earlier, compared with a figure of 7½ per cent expected at the time of the 1982 Budget.

The latest estimate for the PSBR in 1982–83, still subject to considerable uncertainty, is £2 billion less than the forecast made in March 1982 – rather more when allowance is made for the policy changes announced in November. Details will be found in Part 5.

## The prospects

### Short-term Economic Prospects

TABLE 7

| | Forecasts | Average errors from past forecasts[1] |
|---|---|---|
| *A. Output and expenditure at constant 1975 prices* | | |
| Per cent changes between 1982 and 1983: | | |
| Gross domestic product (at factor cost) .. | 2 | 1 |
| Consumers' expenditure .. .. .. | 2½ | 1 |
| General Government consumption .. .. | ½ | 1½ |
| Fixed investment .. .. .. .. | 3½ | 2½ |
| Exports of goods and services .. .. | 1 | 2½ |
| Imports of goods and services.. .. .. | 5 | 2½ |
| Change in stockbuilding (as per cent of level of GDP) .. .. .. .. .. | 1 | ¾ |
| *B. Balance of Payments on current account* | | |
| £ billion: | | |
| 1982 .. .. .. .. .. | 4 | — |
| 1983 .. .. .. .. .. | 1½ | 2 |
| 1984 1st half (at an annual rate) .. .. | 2 | 3½ |
| *C. Public Sector Borrowing Requirement* | | |
| £ billion; in brackets per cent of GDP at market prices: | | |
| Financial year 1982–83 .. .. | 7½(2¾) | — |
| Financial year 1983–84 .. .. | 8 (2¾) | 4(1½) |
| *D. Retail Prices Index* | | |
| Per cent change: | | |
| Fourth quarter 1982 to fourth quarter 1983.. | 6 | 2 |
| Second quarter 1983 to second quarter 1984 | 6 | 4 |

[1] The errors relate to the average differences (on either side of the central figure) between forecast and outturn. The method of calculating these errors has been explained in earlier publications on government forecasts (see Economic Progress Report June 1981). The calculations for the constant price variables are derived from internal forecasts made during the period June 1965 to October 1980. For the current balance and the retail prices index, forecasts made between June 1970 and October 1980 are used. For the PSBR, Budget forecasts since 1967 are used. The errors are after adjustment for the effects of major changes in fiscal policy where excluded from the forecasts.

### Risks and uncertainties

No forecast is complete without some indication of error margins. Table 3.7 sets out the average errors from past forecasts, alongside the forecasts themselves. These average errors provide the best indication of possible errors in the current forecasts: while the size of errors will change over time as the economy fluctuates more or less, and as forecasting techniques change, in most cases the averages have not shifted very much since they were first published in 1976.

The forecasts of those items which represent the relatively small balance between large flows in either direction are particularly subject to error. For example, the flows on either side of the PSBR approach £200 billion; and for the current account of the balance of payments approach £100 billion. For the RPI, average errors are derived from a period of high inflation, averaging 14 per cent and subject to large fluctuations.

## Constant price forecasts of expenditure, imports and gross domestic product[1]

TABLE 8

£ million at 1975 prices, seasonally adjusted

| | Consumers' expenditure | General government consumption | Total fixed investment | Exports of goods and services | Change in stocks | Total final expenditure | Less Imports of goods and services | Less Adjustment to factor cost | Plus Statistical adjustment | Gross domestic product at factor cost | GDP index 1975 =100 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1980 | 71,550 | 24,300 | 20,450 | 33,050 | −1,550 | 147,800 | 34,100 | 12,200 | 200 | 101,700 | 108·0 |
| 1981 | 71,850 | 24,300 | 18,600 | 32,300 | −1,850 | 145,200 | 33,900 | 12,100 | 0 | 99,200 | 105·4 |
| 1982 | 72,750 | 24,550 | 19,250 | 32,500 | − 700 | 148,350 | 35,550 | 12,350 | −550 | 99,900 | 106·1 |
| 1983 | 74,650 | 24,700 | 19,950 | 32,800 | 300 | 152,400 | 37,400 | 12,650 | −500 | 101,850 | 108·2 |
| 1981 H1 | 35,950 | 12,100 | 9,300 | 15,900 | −1,400 | 71,850 | 15,950 | 6,100 | −200 | 49,600 | 105·3 |
| H2 | 35,900 | 12,200 | 9,300 | 16,400 | − 450 | 73,350 | 17,950 | 6,000 | 200 | 49,600 | 105·4 |
| 1982 H1 | 35,950 | 12,250 | 9,500 | 16,400 | − 50 | 74,050 | 18,050 | 6,050 | −150 | 49,800 | 105·8 |
| H2 | 36,800 | 12,300 | 9,750 | 16,100 | − 650 | 74,300 | 17,500 | 6,300 | −400 | 50,100 | 106·4 |
| 1983 H1 | 37,100 | 12,300 | 9,900 | 16,200 | 0 | 75,500 | 18,450 | 6,300 | −250 | 50,500 | 107·3 |
| H2 | 37,550 | 12,400 | 10,050 | 16,600 | 300 | 76,900 | 18,950 | 6,350 | −250 | 51,350 | 109·1 |
| 1984 H1 | 38,000 | 12,450 | 10,250 | 17,000 | 250 | 77,950 | 19,400 | 6,450 | −250 | 51,850 | 110·2 |
| Percentage changes: | | | | | | | | | | | |
| 1981 to 1982 | 1 | 1 | 3½ | ½ | | 2 | 5 | 2 | | ½ | |
| 1982 to 1983 | 2½ | ½ | 3½ | 1 | | 2½ | 5 | 2½ | | 2 | |
| 1983 H1 to 1984 H1 | 2½ | 1 | 3½ | 5 | | 3 | 5 | 2 | | 2½ | |

[1] GDP figures in the table are based on 'compromise' estimates of gross domestic product. Figures in £ million are rounded to £50 million. Percentage changes are calculated from unrounded levels and then rounded to half per cent. The GDP index in the final column is calculated from unrounded numbers.

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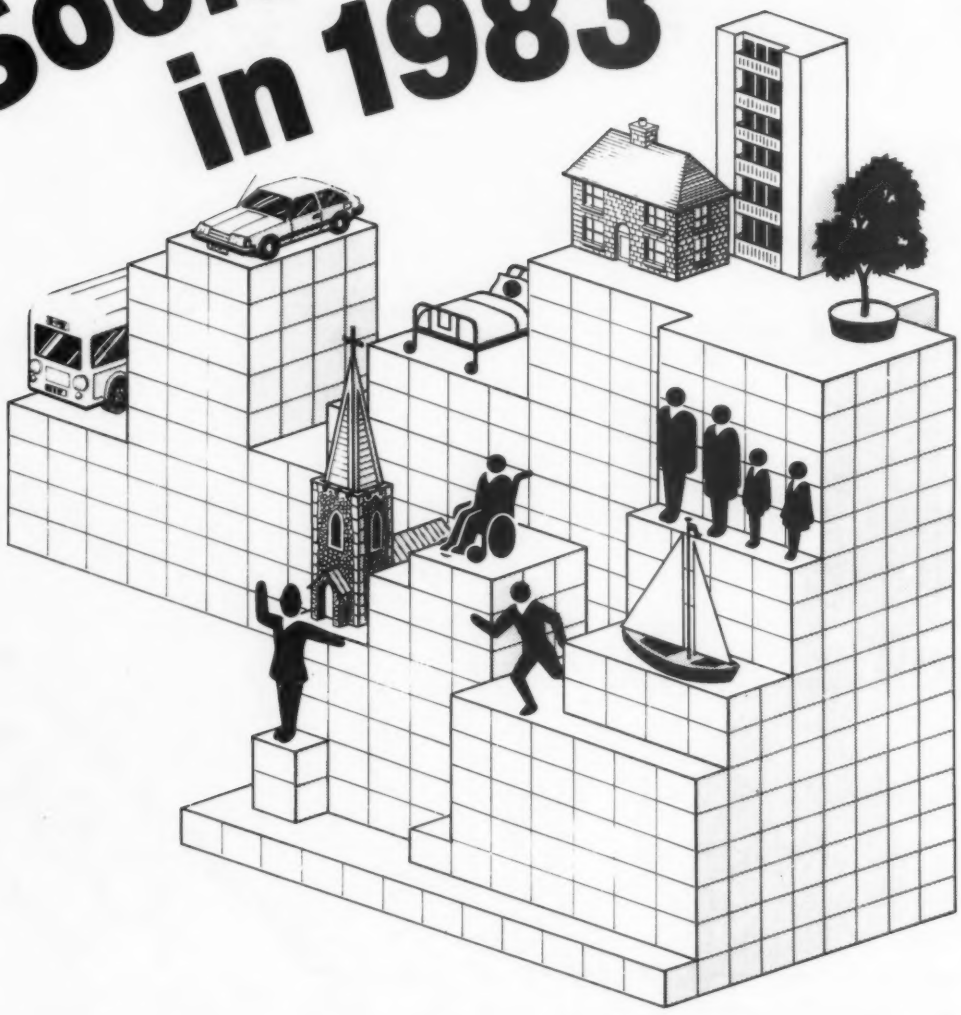

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